92-963

Supreme Court, U.S.
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No. 92-____

IN THE

Supreme Court of the United States

OCTOBER TERM, 1992

FRITO-LAY, INC. and TRACY-LOCKE, INC.,

Petitioners,

—v.—

TOM WAITS,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

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QUESTION PRESENTED

Is a state common law which permits liability in tort premised solely on the independent imitation of sounds fixed in a sound recording, conduct expressly permitted by Section 114(b) of the Copyright Act, preempted pursuant to Section 301 of the Copyright Act?

PARTIES TO THE PROCEEDING

The parties before this Court are those set forth in the caption.[1]

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[1] Pursuant to Supreme Court Rule 29.1, we advise the Court that Frito-Lay, Inc. is a subsidiary of PepsiCo, Inc., a corporation whose stock is publicly owned and is traded on the New York Stock Exchange, and Tracy-Locke, Inc. is a subsidiary of Omnicom Group, Inc., a corporation whose stock is publicly owned and is traded on the New York Stock Exchange.

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IN THE

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October Term, 1992

FRITO-LAY, INC. and
TRACY-LOCKE, INC.,

Petitioners,

v.

TOM WAITS,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Frito-Lay, Inc. and Tracy-Locke, Inc. respectfully pray that a writ of certiorari issue to review the opinion of the United States Court of Appeals for the Ninth Circuit entered in this action on August 5, 1992, and amended October 6, 1992 and October 22, 1992.

OPINIONS BELOW

There have been two opinions below in this matter:

1. Tom Waits v. Frito-Lay, Inc. and Tracy-Locke, Inc. (9th Cir. 1992) (August 5, 1992, amended October 6, 1992 and October 22, 1992) (Boochever J., Browning J., Reinhardt J.) (Opinion) (affirming in part and vacating in part the judgment of the District Court) (reproduced herein at Appendix to the Petition at App. A1).[2]

2. Tom Waits v. Frito-Lay, Inc. and Tracy-Locke, Inc. (C.D. Cal. 1990) (July 18, 1990) (Ideman, D.J.) (denying petitioners' motions for judgment notwithstanding the verdict and for a new

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[2] Citations to the Appendix to the Petition will be in the form App. A___. Citations to the Excerpts of Record before the Court of Appeals in Waits v. Frito-Lay, Inc., et al., will be in the form C.A. ER at ___.

trial, granting respondent's motion for attorney's fees, and denying respondent's motion for treble damages) (App. A39).

STATEMENT OF JURISDICTION

This is an action for violation of state common law rights and Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). The district court had jurisdiction pursuant to 28 U.S.C. § 1332, based on diversity of citizenship, and pursuant to 15 U.S.C. §§ 1121 and 1125 and 28 U.S.C. §§ 1331 and 1338(a). Following the entry of final judgment by the District Court on July 23, 1990, an appeal was timely filed by petitioners on August 13, 1990, pursuant to Federal Rule of Appellate Procedure 4(a)(2). The Court of Appeals issued its order affirming the order appealed from on August 5, 1992. App. A1. Petitioners timely filed a petition for hearing with suggestion for rehearing

en banc on or about August 19, 1992. The Court of Appeals issued its order denying the petition for rehearing, rejecting the suggestion for rehearing en banc, and amending the Opinion on October 6, 1992. App. A5. This petition for a writ of certiorari is being filed within 90 days of that date. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Article 1, Section 8, Clause 8 of the United States Constitution provides that:

> The Congress shall have power . . . to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

Copyright Act of 1976 ("Copyright Act")

17 U.S.C. § 101 (App. A76).

17 U.S.C. § 102 (App. A77).

17 U.S.C. § 106 (App. A78).

17 U.S.C. § 114 (App. A79).

17 U.S.C. § 301 (App. A81).

STATEMENT OF THE CASE

In the opinion below, the Ninth Circuit held that the deliberate imitation of a well known singer's distinctive voice gives rise to liability under state tort law. The opinion for which certiorari is sought imposes liability under state common law for an activity expressly permitted by the federal Copyright Act. The Copyright Act provides that exclusive rights in a sound recording "do not extend to the making or duplication of another sound recording that consists entirely of independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording." 17 U.S.C. § 114(b). "Mere imitation of a

recorded performance would not constitute a copyright infringement even where one performer deliberately sets out to simulate another's performance as exactly as possible." H.R. Rep. No. 1476, 94th Cong., 2d Sess. 106 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5721.

Frito-Lay, Inc. ("Frito-Lay") manufactures and distributes Doritos, a tortilla chip. App. A8. Tracy-Locke, Inc. ("Tracy-Locke") was Frito-Lay's advertising agency. Id. In 1988, Frito-Lay decided to market a new flavor of Doritos called "SalsaRio Doritos." To introduce SalsaRio Doritos, Frito-Lay decided to use a patter song, or a series of words chanted rapidly. Carl LaFlamme (the copywriter at Tracy-Locke) described the concept as a "tongue tickler" -- a "fun way" to describe what was "on the chip." C.A. ER at 14.

In writing the script for the radio spot, Carl LaFlamme recalled a recording of the song "Step Right Up," contained in Tom Waits' 1976 Small Change album. LaFlamme was interested in the fast, jivey, scat style of delivery of the "Step Right Up" record, and prepared a draft of the Doritos tongue tickler in that bluesy scat style. LaFlamme then delivered the song at a meeting with Frito-Lay and Tracy-Locke, performing the song in his own voice but using the style of delivery contained in Waits' record. He also played Waits' "Step Right Up" record to further illustrate the style and feel he was aiming for. App. A8. He suggested that the singer hired to perform the song should have "a typical,

2:00 a.m. nightclub kind of smokey voice." C.A. ER at 14-15.

Tracy-Locke then contacted three music production houses, sending them copies of the script and a written description of what he wanted. A production house was selected, and the commercial was recorded. However, the Tracy-Locke executives did not like the radio commercial, believing that it lacked "energy." Accordingly, Tracy-Locke hired David Wolf, a music consultant used by Tracy-Locke on prior occasions. While auditions for a new singer were being conducted, one of the sound engineers mentioned a professional musician named Steve Carter, who might be able to sing the scat style lyrics. In fact, Carter was a fan of Tom Waits. He and his band periodically performed some of Waits' songs (including "Step Right

Up"), with Carter doing an imitation of Waits' records. Carter auditioned for the commercial, and eventually got the part. His performance in the commercial imitated Waits' "Step Right Up" record. App. A8-9.

The commercial was broadcast nationwide in September and October 1988, only three months after the Ninth Circuit's first opinion in Midler v. Ford Motor Company, 849 F.2d 460 (9th Cir. 1988), cert. denied, 112 S. Ct. 1513 (1992) ("Midler"), and before the trial and later appeal in that case. App. A10. In Midler, the Ninth Circuit held for the first time that the appropriation of another's voice gives rise to an action for violation of the right of publicity under the common law of California (hereinafter the "Midler tort"). Prior to Midler, no court had ever recognized a

cause of action for voice misappropriation, and petitioners' imitation of the "Step Right Up" record was consistent with the Copyright Act, and with prior prevailing law in California and elsewhere.[3] See, e.g., Sinatra v. Goodyear Tire & Rubber Co., 435 F.2d 711 (9th Cir. 1970), cert. denied, 402 U.S. 906 (1971) (advertising agency did not violate rights of Nancy Sinatra when it produced a television commercial featuring an imitation of Nancy Sinatra's recording of a song

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[3] Outside of California, courts have declined to follow the Ninth Circuit's lead, and have refused to expand the rights of privacy and publicity to include a claim for "sound-alikes." See, e.g., Tin Pan Apple v. Miller Brewing Co., Inc., 737 F.Supp. 826, 838 (S.D.N.Y. 1990) (declining to follow Midler rejecting sound-alike claim of The Fat Boys under New York law); Levise v. Lintas, No. 90-70407 (November 8, 1990, E.D. Mich.) (Gilmore, D.J.) (declining to follow Midler rejecting sound-alike claim of Mitch Ryder under Michigan law).

entitled "These Boots Are Made For Walkin'," and a model who looked and was dressed like Nancy Sinatra); Davis v. Trans World Airlines, 297 F. Supp. 1145 (C.D. Cal. 1969) (commercial using an imitation of a well-known singing group's performance of a popular song did not violate any right under California law).[4]

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[4] As the sheer volume of literature on the subject indicates, the right created by the Ninth Circuit in Midler was previously unrecognized, and has remained unique. A short list of the more recent articles discussing Midler includes: Wohl, Federal Preemption of the Right of Publicity in Sing-Alike Cases, 1 Fordham Ent. Media & Intell. Prop. L.F. 47 (1990); Note, "Do You Wanna Dance" Around the Law? Learn the Latest Steps from the Ninth Circuit in Midler v. Ford Motor Company, 23 Loy. L.A. L. Rev. 601 (1990); Karlin, A Rose by Another Voice? Commercial Voice Misappropriation In Midler v. Ford Motor Company, 19 Sw. U.L. Rev. 1137 (1990); Note, Tuning Up the Copyright Act: Substantial Similarity and Sound Recording Protections, 73 Minn. L. Rev. 1175 (1989); Note, Whose Voice is it Anyway? Midler v. Ford Motor Co., 8 Cardozo Arts & Ent. L.J. 201 (1989); Note, Advertisers Beware: Bette Midler Doesn't Want to Dance, 9 Loy. Ent. L.J.

On November 1, 1988, Tom Waits filed a complaint in the United States District Court, Central District of California, against Frito-Lay and Tracy-Locke, alleging common law trade appropriation and false advertising in violation of Section 43(a) of the Lanham Act. C.A. ER at 1-6. Specifically, the trade appropriation claim (the "Midler tort") alleged that petitioners "appropriated . . . Waits' voice, singing style and manner of presentation." Id. at 4. Petitioners answered the complaint on December 1, 1988. Id. at 8.

The case was tried before the Honorable James M. Ideman and a jury, commencing on April 10, 1990 and

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43 (1989); Note, Voicing Concern: An Overview of the Current Law Protecting Singers' Voices, 40 Syracuse L. Rev. 1255 (1989); Wohl, The Right of Publicity and Vocal Larceny: Sounding Off On Sound-Alikes, LVII Fordham L. Rev. 445 (1988).

concluding on May 8, 1990. The jury returned a verdict for respondent, awarding him $375,000 in damages on the common law claim, $100,000 in damages on the Lanham Act claim, and $2,000,000 in punitive damages. App. A10.

Following the verdict, petitioners moved for judgment notwithstanding the verdict and for a new trial, and respondent moved for treble damages and attorney's fees under the Lanham Act. By Order dated July 18, 1990, the District Court denied petitioners' motions and respondent's motion for treble damages, but granted respondent's motion for attorney's fees (in the amount of $126,475). App. A39. Accordingly, on July 23, 1990, judgment was entered against petitioners in the amount of $2,601,475. App. A73-75.

Petitioners filed a timely notice of

appeal on August 13, 1990. C.A. ER at 122. Petitioners argued, inter alia, that the "Midler tort" was preempted by Section 301 of the Copyright Act and that the Court should reconsider its decision in Midler, based on this Court's decision in Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989).

On August 5, 1992, the Ninth Circuit vacated the award of damages under the Lanham Act as duplicative, but affirmed the judgment in all other respects. App. A1. The Court of Appeals relied on its analysis in Midler, holding that "Waits' claim, like Bette Midler's, is for infringement of voice, not for infringement of copyrightable subject such as sound recording or musical composition." App. A14. The Court of Appeals also held that Bonito Boats did

not alter or erode its holding in Midler.[5] App. A13.

REASONS FOR GRANTING THE WRIT

The common law tort created by the Ninth Circuit imposes liability under state law for conduct expressly permitted by the Copyright Act, which preempts equivalent state law rights. The "Midler tort" permits the imposition of damages for the mere imitation of a sound recording, conduct explicitly permitted by Section 114(b) of the Copyright Act. By recognizing liability for the tort of "misappropriation of voice," the Ninth Circuit has enervated the intended preemptive effect of Section 301 of the

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[5] Defendants filed a timely petition for rehearing with suggestion for rehearing en banc with respect to the award of punitive damages, and the Court of Appeals denied the petition for rehearing, rejected the suggestion for rehearing en banc, and amended the Opinion on October 6, 1992. App. A5-6.

Copyright Act, calling into question the scope of federal regulation of intellectual property rights.

The Ninth Circuit's holding that the "Midler tort" is not preempted conflicts with the Seventh Circuit's interpretation of the preemptive reach of Section 301 of the Copyright Act. Baltimore Orioles, Inc. v. Major League Baseball Players Assoc., 805 F.2d 663 (7th Cir. 1986), cert. denied, 480 U.S. 941 (1987).

ARGUMENT

POINT I

THE TORT OF MISAPPROPRIATION OF VOICE IS PREEMPTED BY SECTION 301 OF THE COPYRIGHT ACT OF 1976

Section 301 of the Copyright Act provides that a state law is preempted if two conditions are met: (1) the right created by state law must be "equivalent to any of the exclusive rights within the general scope of copyright as specified

by section 106," and (2) the right created by state law must be in a work of authorship that is "fixed in a tangible medium of expression and come[s] within the subject matter of copyright as specified by sections 102 and 103" of the Copyright Act. 17 U.S.C. § 301(a).

In Midler v. Ford Motor Company, 849 F.2d 460, 463 (9th Cir. 1988), cert. denied 112 S. Ct. 1513 (1992) ("Midler"), the Ninth Circuit held for the first time that the imitation of another's voice gives rise to an action for violation of the right of publicity under the common law of California:

> when a distinctive voice of a professional singer is widely known and is deliberately imitated in order to sell a product, the sellers have appropriated what is not theirs and have committed a tort . . . .

In this case, the Ninth Circuit held that petitioners violated the so-called

"Midler tort" based solely on petitioners' deliberate imitation of a sound recording of Waits' voice. However, the Copyright Act specifically permits the imitation of a sound recording:

> The exclusive rights of the owner of copyright in a sound recording . . . do not extend to the making or duplication of another sound recording that consists entirely of an independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording.

17 U.S.C. § 114(b) (emphasis added). "Mere imitation of a recorded performance would not constitute copyright infringement even where one performer deliberately sets out to simulate another's performance as exactly as possible." H.R. Rep. No. 1476, 94th Cong., 2d Sess. 106 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5721. Thus, petitioners have been found liable at

common law for conduct expressly permitted by the Copyright Act, i.e., deliberately imitating the sound recording of "another's performance as exactly as possible."

Sound recordings (and the sounds contained therein) are clearly the "subject matter of copyright." The right to copy such a sound recording is clearly one of the exclusive rights of a copyright owner, and, with respect to sound recordings, is explicitly limited by Section 114 which permits the imitation or simulation of the sounds contained therein. The "Midler tort" is therefore "qualitatively equivalent" to the exclusive rights within the scope of copyright, but creates rights in sound recordings which conflict with and expand the exclusive rights granted under the Copyright Act. The "Midler tort" is thus

preempted by Section 301 of the Copyright Act.

A. THE "MIDLER TORT" IS "EQUIVALENT" TO ONE OF THE COPYRIGHT OWNER'S EXCLUSIVE RIGHTS IN THAT IT IMPOSES LIABILITY FOR CONDUCT EXPLICITLY PERMITTED BY THE COPYRIGHT ACT

Section 301 requires that, for a state cause of action to be preempted, it must create rights that are qualitatively equivalent to any of the exclusive rights within the general scope of copyright. "All corresponding State laws, whether common law or statutory, are preempted and abrogated [under Section 301]." H.R. Rep. No. 1476, 94th Cong., 2d Sess. 130 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5746. A state law right corresponds to an exclusive right under the Copyright Act if the state law right is infringed by the act of reproduction, adaptation, distribution, performance, or display, without requiring any additional

element which would "change[] the nature of" the state law action and make it "qualitatively different from" a copyright infringement claim. Del Madera Properties v. Rhodes and Gardner, Inc., 820 F.2d 973, 977 (9th Cir. 1987). "A right under state law is 'equivalent' to one of the rights within the general scope of copyright if it is violated by the exercise of any of the rights set forth in § 106." Baltimore Orioles v. Major League Baseball Players, 805 F.2d 663, 676 (7th Cir. 1986), cert denied, 480 U.S. 941 (1987).

A state created right is also "equivalent" to a copyright right if it conflicts with Congress' express limitations on the scope of copyright. In Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989), this Court reaffirmed the long-standing

principle that

> state regulation of intellectual property must yield to the extent that it clashes with the balance struck by Congress in our patent laws. . . . Where it is clear how the patent laws strike that balance in a particular circumstance, that is not a judgment the States may second guess.

489 U.S. at 152. The Bonito Boats Court thus reaffirmed its prior holdings in Sears and Compco to the effect that a state may not expand Congress' limits on patent-like (and by analogy copyright-like) protection:

> we believe that the Sears Court correctly concluded that the States may not offer patent-like protection to intellectual creations which would otherwise remain unprotected as a matter of federal law.

489 U.S. at 156.

Like the patent laws, the Copyright Act represents Congress' careful balance of competing interests, providing authors with certain exclusive rights (found in

Section 106 of the Copyright Act), and limiting those exclusive rights in ways thought necessary "to promote the progress of science and useful arts." Thus, a copyright owner's rights enumerated in Section 106 are expressly made subject to the limitations on those rights set forth in Sections 107 through 120 of the Copyright Act. 17 U.S.C. § 106 ("Subject to sections 107 through 120, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following . . . .").

With respect to sound recordings (at issue here), Congress balanced the competing interests of composers, performers, and the public, and determined that performers may not prohibit others from intentionally imitating their sound recordings. Thus,

Section 114(b) of the Copyright Act explicitly limits the exclusive rights of copyright owners in sound recordings, granting the public at large the right to imitate the sounds contained on a particular sound recording:

> The exclusive rights of the owner of copyright in a sound recording . . . do not extend to the making or duplication of another sound recording that consists entirely of an independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording.

17 U.S.C. § 114(b) (emphasis added).[6]

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[6] The Court in Bonito Boats, noting that "'a federal decision to forgo regulation in a given area may imply an authoritative federal determination that the area is best left unregulated, and in that event would have as much pre-emptive force as a decision to regulate,'" recognized that "[t]o a limited extent, the federal patent laws must determine not only what is protected, but also what is free for all to use." Bonito Boats, 489 U.S. at 151-52 (quoting Arkansas Electric Cooperative Corp. v. Arkansas Public Service Comm'n, 461 U.S. 375, 384 (1983) (emphasis in original)). A fortiori, where, as here, Congress

California may not alter the balance struck by Congress by effectively abrogating all or part of this limitation.

The right created by the "Midler tort," however, directly conflicts with the balance struck by Congress, expanding the scope of protection in sound recordings: the California common law "right" is violated by the mere copying of certain sounds fixed in a sound recording. Thus, the "Midler tort" impermissibly conflicts with the public's right under Section 114(b) to imitate sound recordings, and is therefore preempted.

The fact that the "Midler tort" requires that the plaintiff be a

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explicitly determined that sounds fixed in a sound recording are free for all to imitate, a state law holding otherwise is preempted.

professional singer with a widely known distinctive voice, and that the defendant imitate the voice for commercial purposes, does not distinguish the conduct prohibited by the "Midler tort" from the conduct permitted by the Copyright Act. Section 114(b) permits imitation of a sound recording regardless of whether the sounds are a distinctive voice of a professional singer, and regardless of whether the imitation is for a commercial use. Thus, the "additional elements" of the "Midler tort" do not preserve it from preemption under Section 301 of the Act because they differ from copyright only in scope, not in nature. Harper & Row Publishers, Inc. v. Nation Enterprises, 723 F.2d 195 (2d Cir. 1983), rev'd on other grounds, 471 U.S. 539 (1985). See Del Madera Properties v. Rhodes and Gardner, Inc.,

820 F.2d at 973 (9th Cir. 1987).

Moreover, as articulated by the Ninth Circuit, the "Midler tort" does not require a showing of any likelihood of confusion or actual confusion on the part of consumers. See App. A16, fn 3. Where a state law is not directed at the protection of consumers from "confusion as to source," the state's ability to impede the use by the public of intellectual property not protected by federal law is extremely limited. Bonito Boats, 489 U.S. at 157-58.

Thus, the "Midler tort" created by the Ninth Circuit is equivalent to the exclusive rights within the scope of copyright.

B. THE SOUNDS IMITATED BY PETITIONERS ARE THE SUBJECT MATTER OF COPYRIGHT

The Ninth Circuit held that the "Midler tort" is not preempted becaused a

voice is not "fixed," and therefore not the subject matter of copyright:

> We rejected copyright preemption in Midler because voice is not a subject matter of copyright: "A voice is not copyrightable. The sounds are not 'fixed.'" Midler, 849 F.2d at 462. As a three-judge panel, we are not at liberty to reconsider this conclusion, and even if we were, we would decline to disturb it.
>
> Waits' claim, like Bette Midler's, is for infringement of voice, not for infringement of a copyrightable subject such as sound recording . . . .

App. A13-14. However, like Midler, Waits voluntarily fixed his voice in a sound recording, and presented no evidence that petitioners attempted to imitate the sound of Waits' voice apart from the recorded version of "Step Right Up."

A sound recording, such as the recording of "Step Right Up," is unquestionably a work of authorship fixed in a tangible form within the meaning of Section 301 of the Act, and encompasses

each of the sounds in that sound recording, including the sound of the singer's voice. See 17 U.S.C. § 101. The Ninth Circuit's conclusion that a singer's voice can never be fixed because it is "personal" impermissibly exempts singers, and the copyrightable works they create with their voices, from the limitation of exclusive rights in sound recordings contained in Section 114(b). This exemption is not contained in the Copyright Act, and there is no principled basis for distinguishing the vocal component of a sound recording from any other audible element; the entire performance on the sound recording, including the vocal components, can be imitated under Section 114(b).

Indeed, in testimony before the Senate Subcommittee in 1978 following the issuance of the Report on Performance Rights, the Registrar of Copyrights rejected the reasoning that sound recordings could be treated as fixed works for some purposes and not for others:

> a. Issue. - Are sound recordings "the writings of an author" within the meaning of the Constitution?
>
> Conclusion: Yes.
>
> Discussion: Arguments that sound recordings are not "writings" and that performers and record producers are not "authors" have become untenable. The courts have consistently upheld the constitutional eligibility of sound recordings for protection under the copyright law. Passage of the 1971 Sound Recording Amendment was a legislative declaration of this principle, which was reaffirmed in the Copyright Act of 1976.
>
> b. Issue. - Can sound recordings be "the writings of an author" for purposes of protection against unauthorized duplication (piracy or counterfeiting), but not for purposes

of protection against unauthorized public performance?

Conclusion: No.

Discussion: Either a work is the "writing of an author" or it is not. If it is, the Constitution empowers Congress to grant it any protection that is considered justified. There is no basis, in logic or precedent, for suggesting that a work is a "writing" for some purposes and not for others.

Performance Rights on Sound Recordings: Hearings Before Subcommittee on Courts, Civil Liberties, and the Administration of Justice of the House of Representatives Committee on the Judiciary, 95th Cong., 2d Sess. 83, 117 (1978) (testimony of B. Ringer).

Thus, a voice on a sound recording is part of a work of fixed authorship, and therefore the subject matter of copyright. Because the "Midler tort" is equivalent to the exclusive rights of the copyright owner with respect to the

subject matter of copyright, it is preempted under Section 301.

C. THE "MIDLER TORT" INTERFERES WITH THE REGULATORY SCHEME ESTABLISHED BY CONGRESS

In holding that the "Midler tort" is not preempted, the Court of Appeals relied upon a portion of the legislative history of Section 301,[7] which states: "[t]he evolving common law rights of 'privacy,' 'publicity,' and trade secrets . . . remain unaffected [by the preemption provision] as long as the causes of action contain elements, such as an invasion of personal rights . . . that are different in kind from copyright infringement." H.R. Rep. No. 1476, 94th Cong., 2d Sess. 132, reprinted in 1976

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[7] The Court of Appeals' opinion erroneously refers to this language as the legislative history of Section 114. App. A14.

U.S.C.C.A.N. 5659, 5748. App. A14.

However, the events preceding the passage of the Copyright Act indicate that Congress was cognizant of the fact that Section 114(b) as written abrogated any performance rights in sound recordings.[8] "The new statute expressly

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[8] Congress first provided copyright protection for sound recordings in 1972, with the passage of Pub. L. No. 92-140, 83 Stat. 391. Prior to this, numerous bills had been introduced which would have provided a performance right in sound recordings. See S. 597, Amendment No. 131, 90th Cong., 1st Sess. (1967), introduced by Senator Williamson; see also Performance Rights in Sound Recordings, Report to Subcommittee on Courts, Civil Liberties, and the Administration of Justice: Legislative History of Performance Rights in Sound Recordings, 95th Cong., 2d Sess. 15, 45 (Comm. Print 1978). However, performance rights were left out of the final version of the law. S. Rep. No. 72, 92nd Cong., 1st Sess. 4 (1971).

Performance rights for sound recordings were again thoroughly debated, before the passage of the 1976 Copyright Act. On September 5, 1974, by a vote of 67 to 8, Congress passed an amendment to the then current copyright revision bill which specifically removed performance rights.

excludes performance rights to sound recordings. Instead, it requests the Registrar of Copyrights to study the problem and, after consultation with various interested groups, report on whether Federal copyright legislation providing performance rights for sound recordings should be enacted." Letter of

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120 Cong. Rec. 30399 (1974). This amendment provided: "the exclusive rights of the owner of copyright in a sound recording are limited to the rights specified by clauses (1) and (3) of Section 106, and do not include any right of performance under Section 106(4). See S. 1361, Amendment No. 1846, 93rd Cong., 2d Sess. (1974). Congress also commissioned a report from the Registrar of Copyright on the subject of performance rights in sound recordings. Second Supplementary Report of the Registrar of Copyrights on the General Revision of the U.S. Copyright Law; 1975 Revision Bill, Chap. VIII (Oct.-Dec. 1975). The report concluded performance rights were constitutional, and that it was a Congressional policy decision whether to enact them. Supplementary Report at 27. The final version of the bill passed, which became the Copyright Act, deliberately excluded performance rights.

Transmittal, Registrant's Report to Subcommittee on Performance Rights. See Copyright Act, 17 U.S.C. § 114(d).

Following the submission of the report by the Registrar on January 3, 1978, Congress again held several hearings on performance rights. Performance Rights on Sound Recordings: Hearings Before the Subcommittee on Courts, Civil Liberties, and the Administration of Justice of the House of Representatives Committee on the Judiciary, 95th Cong., 2d Sess. 83 (1978).[9]

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[9] Two bills resulted from these hearings which proposed amending the Copyright Act to create a performance right: the Danielson Bill, H.R. 6063, 95th Cong., 1st Sess. (1977), later revised and presented to the House Committee on the Judiciary as H.R. 997, 96th Cong. 1st Sess. (1979), and the Williamson Bill, S. 1152, 96th Cong., 1st Sess. (1979). Both bills were presented to the respective Committees on the Judiciary, but never went to the full House or Senate.

The commission of this report and Congress's failure to enact legislation which modified the language in Section 114(b) indicate that Congress considered and rejected amending the Copyright Act to protect performance rights in sound recordings.

Moreover, the Court of Appeals' reference to the legislative intent of Section 301 ignores the fact that Congress has enacted a comprehensive legislative scheme. As this Court noted when examining the Employee Benefits and Retirement Savings Act, 29 U.S.C. § 1001, et seq., ("ERISA"), when a "savings clause" under a comprehensive federal law is examined, the entire scheme of the statute must be considered: "'in expounding a statute, we must not be guided by a single sentence or member of a sentence, but look to the provision of

the whole law, and to its object and policy.'" Pilot Life Ins. Co. v. Dedeaux, 481 U.S. 41, 51 (1987), quoting Kelly v. Robinson, 479 U.S. 36, 43 (1986) and other cases.

Pilot Life provides that where, as here, Congress by its actions indicates an intent to omit a remedy as part of a comprehensive regulatory scheme "[t]he policy choices reflected in the inclusion of certain remedies and the exclusion of others under the federal scheme would be completely undermined if . . . [parties] were free to obtain remedies under state law that Congress rejected . . . ." Pilot Life, 481 U.S. at 54.

In the Copyright Act, the intent to omit is found not only in the comprehensiveness of the Act, which establishes the rights of copyright owners, but also in the express language

of Section 114(b). This conclusion is further enforced by Congress's subsequent consideration and rejection of attempts to amend the Act to provide such a remedy to performers. It is anomalous to state that prior history and specific language do not preclude the creation of a tort when those rights were clearly considered and rejected by Congress.

POINT II

THE NINTH CIRCUIT'S OPINION IS IN CONFLICT WITH THE OPINIONS OF OTHER CIRCUITS ON PREEMPTION

The Ninth Circuit's holding that Waits' voice is not the subject matter of copyright because it is not fixed conflicts with the Seventh Circuit's holding in Baltimore Orioles v. Major League Baseball Players, 805 F.2d 663 (7th Cir. 1986), cert. denied, 480 U.S. 941 (1987). In Baltimore Orioles, major league baseball players claimed a state

law right of publicity in their performances in certain baseball games; the copyrights in the telecast of those games were owned by the baseball team franchises. The Seventh Circuit rejected the players' claim that broadcast of the games infringed their right of publicity:

> The players' performances are embodied in a copy, viz, the videotape of the telecast, from which the performances can be perceived, reproduced, and otherwise communicated indefinitely. Hence their performances are fixed in tangible form, and any property rights in the performances that are equivalent to any of the rights encompassed in a copyright are preempted.

Id. at 675 (emphasis added).

The Ninth Circuit did not distinguish or discuss Baltimore Orioles in either Waits or Midler. However, the import of Baltimore Orioles is clear: once a performance is reduced to a fixed form, the performer's state-created

publicity rights in that performance are preempted by the Copyright Act.

In the House Report on the Copyright Act, Congress provided examples of works of authorship which were not fixed in any tangible medium of expression, including:

> choreography that has never been filmed or notated, an extemporaneous speech, "original works of authorship" communicated solely through conversations or live broadcasts, and a dramatic sketch or musical composition improvised or developed from memory and without being recorded or written down.

H.R. Rep. 1476, 94th Cong., 2d Sess. 131 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5747 (emphasis added). Works of authorship that have never been fixed in a tangible medium of expression are not the subject matter of copyright. However, as the Seventh Circuit understood in Baltimore Orioles, once the dance has been filmed or the musical improvisation recorded, the work is fixed

and equivalent common law rights are preempted. Performing the dance again or playing the composition from memory does not resurrect the preempted common law rights because the fixed work still exists and still gives rise to equivalent copyrights. Similarly, the fact that Waits may have performed "Step Right Up" or other songs live does not revive the common law rights in his recorded version of "Step Right Up."

In contrast to the Seventh Circuit's analysis in Baltimore Orioles, the Ninth Circuit held that despite the fact that Waits voluntarily fixed his voice in a sound recording, his voice is not fixed for purposes of preemption. Thus, there is a conflict between the Seventh and Ninth Circuits concerning the definition of "fixed" under the Copyright Act and

the scope of preemption under Section 301.

CONCLUSION

The common law tort of misappropriation of voice created by the Ninth Circuit imposes liability for the mere imitation of a sound recording, conduct explicitly permitted by Section 114(b) of the Copyright Act, and is therefore clearly preempted by Section 301 of the Copyright Act.

The Ninth Circuit's creation of this tort and its holding on preemption is in conflict with the holding of the Seventh Circuit in Baltimore Orioles, Inc. v. Major League Baseball Players Assoc., 805 F.2d 663 (7th Cir. 1986), cert. denied, 480 U.S. 941 (1987), and has enervated the intended preemptive effect of Section

301 of the Copyright Act, calling into question the scope of federal regulation of intellectual property rights.

Dated: New York, New York
November 16, 1992

Respectfully submitted,

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APPENDIX

FOR PUBLICATION

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

TOM WATTS, *Plaintiff-Appellee,* v. FRITO-LAY, INC.; TRACY-LOCKE, INC., *Defendants-Appellants.*	No. 90-55981 D.C. No. CV-88-6478-JMI ORDER AMENDING OPINION AND DENYING PETITION FOR REHEARING AND SUGGESTION FOR REHEARING EN BANC

Appeal from the United States District Court
for the Central District of California
James M. Ideman, District Judge, Presiding

Argued and Submitted
December 3, 1991—Pasadena, California

Filed August 5, 1992
Amended October 6, 1992
Amended Order October 22, 1992

Before: James R. Browning, Robert Boochever, and Stephen Reinhardt, Circuit Judges.

Opinion by Judge Boochever

SUMMARY

Intellectual Property/Entertainment/Unfair Competition/ Litigation and Procedure (Civil)/Civil Litigation and Procedure/Evidence/Damages/Juries/Attorneys and Judges/Attorneys' Fees

Affirming in part and vacating in part a district court judgment, the court of appeals held that a jury properly determined that a snack food manufacturer and its advertising agency misappropriated Tom Waits' voice for a radio commercial in violation of *Midler* and the Lanham Act.

Tom Waits, a professional singer, songwriter, and actor of some renown sued appellant Frito-Lay, Inc., and its advertising agency, appellant Tracy-Locke, Inc., for voice misappropriation under California law, and false endorsement under the Lanham Act, after the broadcast of a radio commercial for SalsaRio Doritos which featured a vocal performance imitating Waits' raspy singing voice. At the time of recording the commercial, appellants were aware that Waits had a policy against doing commercials and that their impersonation sounded too much like Waits and presented serious legal concerns. Nonetheless, after Tracy-Locke agreed to indemnify Frito-Lay in the event of a lawsuit, the commercial was broadcast. A jury returned a verdict for Waits, awarding him compensatory and punitive damages on his claims. The district court awarded Waits attorneys' fees under the Lanham Act. Appellants challenged the judgment on Waits' voice misappropriation claim, contending, among other things, that *Midler*, recognizing voice misappropriation as a California tort, is no longer good law. Appellants also urged the court to vacate portions of the jury's damage award, and argued that Waits lacked standing to bring a false endorsement claim under the Lanham Act and was not entitled to attorneys' fees.

[1] The court acknowledged that in *Midler* it held that when the distinctive voice of a professional singer is widely known

and deliberately imitated to sell a product, the sellers have appropriated what is not theirs and have committed a tort in California. [2] Accordingly, the court rejected appellants' argument that *Midler* has been impliedly overruled by the Supreme Court's decision in *Bonito Boats, Inc.* Also rejected was the contention that the *Midler* tort is preempted by the federal Copyright Act. [3] Waits' claim was for infringement of his voice, not of a copyrightable subject such as a sound recording or musical composition. [4] In addition, the district court properly rejected appellants' jury instruction which distinguished in detail between voice, which is protected under *Midler*, and style, which is not. [5] Also, appellants' technical argument that distinctiveness is a separate concept from identifiability, while supported by their experts' testimony, had no basis in law. [6] The district court's instruction on "distinctiveness" properly informed the jury that it could consider the recordings of Waits' voice introduced into evidence and the testimony of expert and other witnesses. The court was not required to formulate instructions endorsing expert opinions lacking in legal foundation. The court was unpersuaded by the argument that the instruction given allowed the jury to hold them liable for imitation of a voice identifiable by only a small number of people, inasmuch as *Midler* also requires that the plaintiff's voice be "widely known." [7] However, even if the district court instructions were inadequate in some regard, the error was harmless. The great weight of evidence at trial indicated that Waits is very widely known.

[8] Concerning the compensatory damage award, the court disagreed with appellants' argument that in right of publicity actions, only damages to compensate for economic injury are available. *Midler* neither discussed nor limited the damages recoverable in a voice misappropriation action. [9] Given the evidence that the commercial use of his voice was particularly offensive to Waits, the court concluded that his prayer for mental distress damages was properly submitted to the jury and the evidence supported their eventual award. [10] The

evidence was also sufficient to support the jury's award for injury to Waits' goodwill and future publicity value. **[11]** The court affirmed the jury award of punitive damages under California law. Viewed most favorably to Waits, the evidence was adequate to support the finding that appellants acted with malice.

[12] The court also held that Waits' false endorsement claims, including those premised on the unauthorized imitation of his distinctive voice, were cognizable under section 43(a) of the Lanham Act. **[13]** The court also held that Waits' had standing to bring such a claim under the Lanham Act without him having to be in actual competition with the wrongdoers. Standing under § 43(a) exists where the interest asserted by the plaintiff is a commercial interest protected by the Lanham Act.

[14] The court disagreed that Waits' false endorsement claim failed on its merits because the Doritos commercial did not represent that Waits sponsored or endorsed their product. **[15]** The evidence was sufficient to support the jury's finding that consumers were likely to be misled by the commercial into believing that Waits endorsed SalsaRio Doritos. Thus, the jury verdict on this issue was also affirmed. **[16]** However, in instructing the jury on Waits' Lanham Act claim, the district court stated that it could award damages for the fair market value of Waits' services. The jury also awarded damages to Waits for the fair market value of his services on his voice misappropriation claim. Because the damages awarded under the Lanham Act were therefore duplicative, the court vacated this portion of the judgment. **[17]** The district court properly awarded attorneys' fees to Waits under the Lanham Act.

COUNSEL

Lionel S. Sobel, Liebig & Kulzick, Los Angeles, California; Robert M. Callagy, Satterlee, Stephens, Burke & Burke, New York, New York, for the defendants-appellants.

Howard King, Gang, Tyre, Ramer & Brown, Los Angeles, California, for the plaintiff-appellee.

AMENDED ORDER

For purposes of clarification, the order amending opinion and denying petition for rehearing and suggestion for rehearing en banc in the above-entitled case, No. 90-55981, slip op. 12037, (9th Cir. Oct. 6, 1992) is amended on page 12041, 3rd paragraph from bottom, by changing the statement reading, "and Judge Boochever so recommends." to "and Judge Boochever recommends rejection of the suggestion for rehearing en banc."

ORDER

The opinion in the above-entitled case, No. 90-55981, slip op. 9429 (9th Cir. Aug. 5, 1992), is amended by deleting footnote 4 on page 9449, and substituting in its place the following:

> [4] Beyond arguing that the issue should not have been submitted to the jury in the first instance, the defendants do not challenge the sufficiency of the court's jury instructions on punitive damages. Because we affirm the jury's conclusion that the defendants acted in conscious disregard of Waits' rights, we reject defendants' claim that the award of punitive damages violated their due process rights because they lacked notice their conduct would violate Waits' rights.

With this amendment the panel has voted to deny the petition for rehearing. Judges Browning and Reinhardt reject the

suggestion for rehearing en banc and Judge Boochever recommends rejection of the suggestion for rehearing en banc.

The full court has been advised of the suggestion for rehearing en banc and no active judge has requested a vote on whether to rehear the matter en banc. (Fed. R. App. P. 35.)

The petition for rehearing is denied and the suggestion for rehearing en banc is rejected.

OPINION

BOOCHEVER, Circuit Judge:

Defendants Frito-Lay, Inc., and Tracy-Locke, Inc., appeal a jury verdict and award of $2.6 million in compensatory damages, punitive damages, and attorney's fees, in favor of singer Tom Waits. Waits sued the snack food manufacturer and its advertising agency for voice misappropriation and false endorsement following the broadcast of a radio commercial for SalsaRio Doritos which featured a vocal performance imitating Waits' raspy singing voice. On appeal, the defendants mount attacks on nearly all aspects of the judgment.

In challenging the judgment on Waits' voice misappropriation claim, the defendants first contend that our decision in *Midler v. Ford Motor Co.*, 849 F.2d 460 (9th Cir. 1988), *cert. denied*, 112 S.Ct. 1513, 1514 (1992), recognizing voice misappropriation as a California tort, is no longer good law. Next, they contend that the district court erred in instructing the jury on the elements of voice misappropriation. Finally, the defendants urge us to vacate portions of the jury's damage award, arguing that several types of compensatory damages as well as punitive damages are unavailable as a matter of law, and in any event lack evidentiary support.

In challenging the judgment on Waits' false endorsement claim under section 43(a) of the Lanham Act, the defendants contend that Waits lacks standing to sue because he is not in competition with the defendants. They also argue that Waits did not establish his claim at trial, and that damages and attorney's fees were improperly awarded.

Because it is duplicative, we vacate the award of damages under the Lanham Act. We affirm in all other respects.

BACKGROUND

Tom Waits is a professional singer, songwriter, and actor of some renown. Waits has a raspy, gravelly singing voice, described by one fan as "like how you'd sound if you drank a quart of bourbon, smoked a pack of cigarettes and swallowed a pack of razor blades. . . . Late at night. After not sleeping for three days." Since the early 1970s, when his professional singing career began, Waits has recorded more than 17 albums and has toured extensively, playing to sold-out audiences throughout the United States, Canada, Europe, Japan and Australia. Regarded as a "prestige artist" rather than a musical superstar, Waits has achieved both commercial and critical success in his musical career. In 1987, Waits received *Rolling Stone* magazine's Critic's Award for Best Live Performance, chosen over other noted performers such as Bruce Springsteen, U2, David Bowie, and Madonna. *SPIN* magazine listed him in its March 1990 issue as one of the ten most interesting recording artists of the last five years. Waits has appeared and performed on such television programs as "Saturday Night Live" and "Late Night with David Letterman," and has been the subject of numerous magazine and newspaper articles appearing in such publications as *Time*, *Newsweek*, and the *Wall Street Journal*. Tom Waits does not, however, do commercials. He has maintained this policy consistently during the past ten years, rejecting numerous lucrative offers to endorse major products. Moreover, Waits' policy is a public one: in magazine, radio, and newspa-

per interviews he has expressed his philosophy that musical artists should not do commercials because it detracts from their artistic integrity.

Frito-Lay, Inc. is in the business of manufacturing, distributing, and selling prepared and packaged food products, including Doritos brand corn chips. Tracy-Locke, Inc. is an advertising agency which counts Frito-Lay among its clients. In developing an advertising campaign to introduce a new Frito-Lay product, SalsaRio Doritos, Tracy-Locke found inspiration in a 1976 Waits song, "Step Right Up." Ironically, this song is a jazzy parody of commercial hucksterism, and consists of a succession of humorous advertising pitches.[1] The commercial the ad agency wrote echoed the rhyming word play of the Waits song. In its presentation of the script to Frito-Lay, Tracy-Locke had the copywriter sing a preliminary rendition of the commercial and then played Waits' recorded rendition of "Step Right Up" to demonstrate the feeling the commercial would capture. Frito-Lay approved the overall concept and the script.

The story of Tracy-Locke's search for a lead singer for the commercial suggests that nothing would do but a singer who could not only capture the feeling of "Step Right Up" but also imitate Tom Waits' voice. The initial efforts of the ad agency's creative team, using a respected professional singer with a deep bluesy voice, met with disapproval from executives at both Tracy-Locke and Frito-Lay. Tracy-Locke then auditioned a number of other singers who could sing in a gravelly style.

Stephen Carter was among those who auditioned. A record-

[1]Waits characterizes the song as an indictment of advertising. It ends with the line, "What the large print giveth, the small print taketh away." *See Murray Ohio Mfg. Co. v. Continental Ins. Co.*, 705 F. Supp. 442, 444 (N.D. Ill. 1989) (quoting "Tom Waits' noted maxim" in interpreting insurance contract).

ing engineer who was acquainted with Carter's work had recommended him to Tracy-Locke as someone who did a good Tom Waits imitation. Carter was a professional musician from Dallas and a Tom Waits fan. Over ten years of performing Waits songs as part of his band's repertoire, he had consciously perfected an imitation of Waits' voice. When Carter auditioned, members of the Tracy-Locke creative team "did a double take" over Carter's near-perfect imitation of Waits, and remarked to him how much he sounded like Waits. In fact, the commercial's musical director warned Carter that he probably wouldn't get the job because he sounded too much like Waits, which could pose legal problems. Carter, however, did get the job.

At the recording session for the commercial David Brenner, Tracy-Locke's executive producer, became concerned about the legal implications of Carter's skill in imitating Waits, and attempted to get Carter to "back off" his Waits imitation. Neither the client nor the members of the creative team, however, liked the result. After the session, Carter remarked to Brenner that Waits would be unhappy with the commercial because of his publicly avowed policy against doing commercial endorsements and his disapproval of artists who did. Brenner acknowledged he was aware of this, telling Carter that he had previously approached Waits to do a Diet Coke commercial and "you never heard anybody say no so fast in your life." Brenner conveyed to Robert Grossman, Tracy-Locke's managing vice president and the executive on the Frito-Lay account, his concerns that the commercial was too close to Waits' voice. As a precaution, Brenner made an alternate version of the commercial with another singer.

On the day the commercial was due for release to radio stations across the country, Grossman had a ten-minute long-distance telephone consultation with Tracy-Locke's attorney, asking him whether there would be legal problems with a commercial that sought to capture the same feeling as Waits' music. The attorney noted that there was a "high profile" risk

of a lawsuit in view of recent case law recognizing the protectability of a distinctive voice. Based on what Grossman had told him, however, the attorney did not think such a suit would have merit, because a singer's style of music is not protected. Grossman then presented both the Carter tape and the alternate version to Frito-Lay, noting the legal risks involved in the Carter version. He recommended the Carter version, however, and noted that Tracy-Locke would indemnify Frito-Lay in the event of a lawsuit. Frito-Lay chose the Carter version.

The commercial was broadcast in September and October 1988 on over 250 radio stations located in 61 markets nationwide, including Los Angeles, San Francisco, and Chicago. Waits heard it during his appearance on a Los Angeles radio program, and was shocked. He realized "immediately that whoever was going to hear this and obviously identify the voice would also identify that [Tom Waits] in fact had agreed to do a commercial for Doritos."

In November 1988, Waits sued Tracy-Locke and Frito-Lay, alleging claims for voice misappropriation under California law and false endorsement under the Lanham Act. The case was tried before a jury in April and May 1990. The jury found in Waits' favor, awarding him $375,000 compensatory damages and $2 million punitive damages for voice misappropriation, and $100,000 damages for violation of the Lanham Act. The court awarded Waits attorneys' fees under the Lanham Act. This timely appeal followed.

DISCUSSION

I. *Voice Misappropriation*

[1] In *Midler v. Ford Motor Co.*, 849 F.2d 460, 463 (9th Cir. 1988), *cert. denied*, 112 S. Ct. 1513, 1514 (1992), we held that "when a distinctive voice of a professional singer is widely known and is deliberately imitated in order to sell a

product, the sellers have appropriated what is not theirs and have committed a tort in California." The *Midler* tort is a species of violation of the "right of publicity," the right of a person whose identity has commercial value — most often a celebrity — to control the commercial use of that identity. *See Motschenbacher v. R.J. Reynolds Tobacco Co.*, 498 F.2d 821, 824-25 (9th Cir. 1974). *See generally* J. T. McCarthy, *The Rights of Publicity and Privacy* (1987) (hereafter *Publicity and Privacy*). We recognized in *Midler* that when voice is a sufficient indicia of a celebrity's identity, the right of publicity protects against its imitation for commercial purposes without the celebrity's consent. *See Midler*, 849 F.2d at 463.

The jury found that the defendants had violated Waits' right of publicity by broadcasting a commercial which featured a deliberate imitation of Waits' voice. In doing so, the jury determined that Waits has a distinctive voice which is widely known. On appeal, the defendants attack the legal underpinnings of voice misappropriation, arguing that *Midler* is no longer an accurate statement of California law. They also find fault with the court's formulation of the elements of voice misappropriation in its instructions to the jury. Finally, they attack both the compensatory and punitive damages awarded by the jury as legally inappropriate and unsupported by the evidence. We address each contention in turn.

A. *Continuing Viability of Midler*

As a threshold matter, the defendants ask us to rethink *Midler*, and to reject it as an inaccurate statement of California law. *Midler*, according to the defendants, has been "impliedly overruled" by the Supreme Court's decision in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989). Additionally, they argue that the *Midler* tort is preempted by the federal Copyright Act. We review these questions of law *de novo*. *See Kruso v. International Tel. & Tel. Corp.*, 872 F.2d 1416, 1421 (9th Cir. 1989), *cert. denied*, 496 U.S. 937 (1990).

Bonito Boats involved a Florida statute giving perpetual patent-like protection to boat hull designs already on the market, a class of manufactured articles expressly excluded from federal patent protection. The Court ruled that the Florida statute was preempted by federal patent law because it directly conflicted with the comprehensive federal patent scheme. In reaching this conclusion, the Court cited its earlier decisions in *Sears Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964), and *Compco Corp. v. Day-Brite Lighting*, 376 U.S. 234 (1964), for the proposition that "publicly known design and utilitarian ideas which were unprotected by patent occupied much the same position as the subject matter of an expired patent," *i.e.*, they are expressly unprotected. *Bonito Boats*, 489 U.S. at 152.

The defendants seize upon this citation to *Sears* and *Compco* as a reaffirmation of the sweeping preemption principles for which these cases were once read to stand. They argue that *Midler* was wrongly decided because it ignores these two decisions, an omission that the defendants say indicates an erroneous assumption that *Sears* and *Compco* have been "relegated to the constitutional junkyard." Thus, the defendants go on to reason, earlier cases that rejected entertainers' challenges to imitations of their performances based on federal copyright preemption, were correctly decided because they relied on *Sears* and *Compco*. *See Sinatra v. Goodyear Tire & Rubber Co.*, 435 F.2d 711, 716-18 (9th Cir. 1970), *cert. denied*, 402 U.S. 906 (1971); *Booth v. Colgate-Palmolive Co.*, 362 F. Supp. 343, 348 (S.D.N.Y. 1973); *Davis v. Trans World Airlines*, 297 F. Supp. 1145, 1147 (C.D. Cal. 1969). This reasoning suffers from a number of flaws.

[2] *Bonito Boats* itself cautions against reading *Sears* and *Compco* for a "broad pre-emptive principle" and cites subsequent Supreme Court decisions retreating from such a sweeping interpretation. "[T]he Patent and Copyright Clauses do not, by their own force or by negative implication, deprive the States of the power to adopt rules for the promotion of intel-

lectual creation." *Bonito Boats*, 489 U.S. at 165 (citing *Goldstein v. California*, 412 U.S. 546, 552-61 (1973) and *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 478-79 (1974)). Instead, the Court reaffirmed the right of states to "place limited regulations on the use of unpatented designs in order to prevent consumer confusion as to source." *Id. Bonito Boats* thus cannot be read as endorsing or resurrecting the broad reading of *Compco* and *Sears* urged by the defendants, under which Waits' state tort claim arguably would be pre-empted.

Moreover, the Court itself recognized the authority of states to protect entertainers' "right of publicity" in *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977). In *Zacchini*, the Court endorsed a state right-of-publicity law as in harmony with federal patent and copyright law, holding that an unconsented-to television news broadcast of a commercial entertainer's performance was not protected by the First Amendment. *Id.* at 573, 576-78. The cases Frito asserts were "rightly decided" all predate *Zacchini* and other Supreme Court precedent narrowing *Sears* and *Compco*'s sweeping preemption principles. In sum, our holding in *Midler*, upon which Waits' voice misappropriation claim rests, has not been eroded by subsequent authority.

The defendants ask that we rethink *Midler* anyway, arguing as the defendants did there that voice misappropriation is pre-empted by section 114 of the Copyright Act. Under this provision, a state cause of action escapes Copyright Act preemption if its subject matter "does not come within the subject matter of copyright . . . including works or authorship not fixed in any tangible medium of expression." 17 U.S.C. § 301(b)(1). We rejected copyright preemption in *Midler* because voice is not a subject matter of copyright: "A voice is not copyrightable. The sounds are not 'fixed.' " *Midler*, 849 F.2d at 462. As a three-judge panel, we are not at liberty to reconsider this conclusion, and even if we were, we would decline to disturb it.

[3] Waits' claim, like Bette Midler's, is for infringement of voice, not for infringement of a copyrightable subject such as sound recording or musical composition. Moreover, the legislative history of section 114 indicates the express intent of Congress that "[t]he evolving common law rights of 'privacy,' 'publicity,' and trade secrets . . . remain unaffected [by the preemption provision] as long as the causes of action contain elements, such as an invasion of personal rights . . . that are different in kind from copyright infringement." H. R. Rep. No. 1476, 94th Cong., 2d Sess. 132, *reprinted in* 1976 U.S.C.C.A.N. 5659, 5748. Waits' voice misappropriation claim is one for invasion of a personal property right: his right of publicity to control the use of his identity as embodied in his voice. *See Midler*, 849 F.2d at 462-63 ("What is put forward as protectable here is more personal than any work of authorship. . . . A voice is as distinctive and personal as a face.") The trial's focus was on the elements of voice misappropriation, as formulated in *Midler*: whether the defendants had deliberately imitated Waits' voice rather than simply his style and whether Waits' voice was sufficiently distinctive and widely known to give him a protectable right in its use. These elements are "different in kind" from those in a copyright infringement case challenging the unauthorized use of a song or recording. Waits' voice misappropriation claim, therefore, is not preempted by federal copyright law.

B. *Jury Instructions*

The defendants next contend that the district court committed prejudicial error by rejecting their proposed jury instructions on three elements of the *Midler* tort: the deliberate misappropriation for commercial purposes of (1) a voice, that is (2) distinctive and (3) widely known. We consider jury instructions as a whole to determine if they are misleading or inadequate. *United States v. Beltran-Rios*, 878 F.2d 1208, 1214 (9th Cir. 1989). We review challenges to the formulation of jury instructions for abuse of discretion. *Id.* Whether a jury instruction misstates the elements that must be proved

at trial, however, is a question of law which we review *de novo*. *United States v. Spillone*, 879 F.2d 514, 525 (9th Cir. 1989), *cert. denied*, 111 S.Ct. 173, 210 (1990).

(1) *"Voice" vs. "Style"*

[4] The defendants argued at trial that although they had consciously copied Tom Waits' style in creating the Doritos commercial, they had not deliberately imitated his voice. They accordingly proposed a jury instruction which distinguished in detail between voice, which is protected under *Midler*, and style, which is not.[2] The district court rejected this instruction. Instead, its instructions on voice misappropriation track closely the elements of the tort as they are formulated in *Midler*. The court's instruction directed the jury to decide whether Waits' voice is distinctive, whether his voice is widely known, and whether the defendants had deliberately imitated his voice.

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[2]The proposed instruction read in pertinent part:

> Style is the way, manner or method of carrying out an activity .... In contemporary music, there are a great many styles or "sounds," for example ... blues, dixieland, country and western, rock, rap, rhythm and blues, etc.
>
> Style is *how* a song is sung, how the music is delivered, how the words of a song are expressed. Style includes mood, phrasing, and timing, whether a selection is performed loudly or quietly, whether the song is expressed in singing, talking, or a combination of the two.
>
> Style is not subject to ownership. No singer can appropriate for himself any style and exclude others from performing in the same style. Any singer is free to sing in the same style as any other singer. That is why we have a great many opera singers, blues singers, country-western singers, etc.
>
> Defendants could not be held liable to plaintiff merely because the singer in their commercial performed in the same style as plaintiff has performed in.

The defendants argue that their proposed "style" instruction was crucial because of the deliberate stylistic similarities between the Doritos commercial and "Step Right Up" and because in instructing the jury on Waits' Lanham Act claim, the court told the jury that it could consider Waits' singing style, songwriting style, and manner of presentation. In failing to give their proposed instruction, the defendants contend, the court misled the jury into believing that it could also consider the defendants' admitted imitation of Waits' style in determining liability for voice misappropriation.

We disagree because, read as a whole, the instructions were not misleading. In charging the jury, the court repeatedly noted that two claims were presented for determination and gave separate instructions on each claim. The court's voice misappropriation instructions limited the jury's consideration to voice, and in no way implied that it could consider style. Indeed, in addressing the jury in closing argument, Waits' attorney agreed with the defendants that style was not protected. Moreover, the court included an additional instruction that effectively narrowed the jury's focus to Waits' voice and indicated that style imitation alone was insufficient for tort liability. For the defendants to be liable for voice misappropriation, the court stated, the imitation had to be so good that "people who were familiar with plaintiff's voice who heard the commercial *believed plaintiff performed it*. In this connection it is not enough that they were reminded of plaintiff or thought the singer sounded like plaintiff . . . ."[3] (Emphasis added.) Even if the jury were initially confused about whether the defendants could be liable simply for imitating Waits' style, this instruction would have disabused them of this notion.

[3]This instruction effectively added an additional element to *Midler*'s formulation of voice misappropriation: actual confusion. The validity of this instruction is not before us in this appeal and we express no opinion on this issue.

(2) *Definition of "Distinctive"*

The defendants next argue that the court's instruction concerning the meaning of "distinctive" was an unfair and inaccurate statement of the law because it confuses the "distinctiveness" of a voice with its identifiability or recognizability. The instruction given states in part: "A voice is distinctive if it is distinguishable from the voices of other singers. . . . if it has particular qualities or characteristics that identify it with a particular singer." At trial the defendants' experts testified that identifiability depends, not on distinctiveness, but on the listener's expections; that distinctiveness and recognizability are not the same thing; and that recognizability is enhanced by style similarity. The defendants argue that these theories were inadequately dealt with by the court's instruction and that because *anyone's* voice is identifiable by someone, it was error for the court not to make clear the difference between distinctiveness and identifiability. We disagree.

[5] The defendants' technical argument that distinctiveness is a separate concept from identifiability, while supported by their experts' testimony, has no basis in law. Identifiability is properly considered in evaluating distinctiveness, for it is a central element of a right of publicity claim. *See Publicity and Privacy* § 3.4[A] & n.1 (citing cases). Our *Midler* holding is premised on the fact that a person is as identifiable by voice as by any other indicia of identity previously recognized as protectable. Although we did not define "distinctiveness" in *Midler*, we stated: "A voice is as *distinctive* and personal as a face. The human voice is one of the most palpable ways *identity is manifested*. We are all aware that a friend is at once *known* by a few words on the phone. . . . [T]hese observations hold true of singing . . . ." *Midler v. Ford*, 849 F.2d at 463 (emphasis added). *See also Motschenbacher*, 498 F.2d at 826-27 (rejecting trial court's ruling that because plaintiff's face was not recognizable in advertisement photograph, his iden-

tity had not been misappropriated, and finding that plaintiff was identifiable from distinctive decorations on race car).

[6] The court's "distinctiveness" instruction informed the jury that it could consider the recordings of Waits' voice introduced into evidence and the testimony of expert and other witnesses. The court thus invited members of the jury to use their common sense in determining whether Waits has a distinctive enough voice to warrant protection, and to consider as well what the experts had to say. This was entirely appropriate. *See Publicity and Privacy*, § 3.4[C] (jury must use "common sense . . . guided by the weight of the evidence" in determining minimum threshold of identifiability in right of publicity actions). The court was not required to formulate instructions endorsing expert opinions which lacked legal foundation. Finally, we are unpersuaded by the defendants' argument that the court's instruction would have allowed the jury to hold them liable for imitation of a voice that was identifiable by only a small number of people, inasmuch as *Midler* also requires that the plaintiff's voice be "widely known."

(3) *Definition of "Widely Known"*

The defendants next object to the district court's instruction concerning the element of "widely known" on the ground that it was too vague to guide the jury in making a factual determination of the issue. The court instructed the jury: "A professional singer's voice is widely known if it is known to a *large number* of people throughout a *relatively large* geographic area." (Emphasis added.) The court rejected an instruction proposed by the defendants, which reflected their contention at trial that Tom Waits is a singer known only to music insiders and to a small but loyal group of fans: "A singer is not widely known if he is only recognized by his own fans, or fans of a particular sort of music, or a small segment of the population."

[7] The legal underpinnings of this proposed instruction are questionable. The defendants assert that because Waits has

not achieved the level of celebrity Bette Midler has, he is not well known under the *Midler* standard. We reject this crabbed interpretation of *Midler*. The defendants' proposed instruction would have excluded from legal protection the voices of many popular singers who fall short of superstardom. "Well known" is a relative term, and differences in the extent of celebrity are adequately reflected in the amount of damages recoverable. *See Mostenbacher*, 498 F.2d at 824 n.11 ("Generally, the greater the fame or notoriety of the identity appropriated, the greater will be the extent of the economic injury suffered."). Moreover, even were these instructions inadequate in some regard the error would be harmless, for we agree with the district court that the "great weight of evidence produced at trial indicates that Tom Waits is very widely known."

In sum, we find no error in the instructions given to the jury on Waits' voice misappropriation claim.

C. *Compensatory Damage Award*

The jury awarded Waits the following compensatory damages for voice misappropriation: $100,000 for the fair market value of his services; $200,000 for injury to his peace, happiness and feelings; and $75,000 for injury to his goodwill, professional standing and future publicity value. The defendants contest the latter two awards, disputing both the availability of such damages in a voice misappropriation action and the sufficiency of the evidence supporting the awards.

1. *Injury to Peace, Happiness and Feelings*

[8] The defendants argue that in right of publicity actions, only damages to compensate for economic injury are available. We disagree. Although the injury stemming from violation of the right of publicity "may be largely, or even wholly, of an economic or material nature," we have recognized that "it is quite possible that the appropriation of the identity of a

celebrity may induce humiliation, embarrassment, and mental distress." *Motschenbacher*, 498 F.2d at 824 & n.11. Contrary to the defendants' assertions, *Midler* neither discussed nor limited the damages recoverable in a voice misappropriation action. *Midler* makes reference to the market value of Midler's voice solely to support its conclusion that her voice has economic value and, therefore, is a protectable property right. *See* 849 F.2d at 463.

[9] In assessing the propriety of mental distress damages, our focus is properly directed to the nature of the infringement and its embarrassing impact on the plaintiff. *Publicity and Privacy* § 4.2[A]. Often the objectionable nature of the use will cause mental distress. *Id.* § 4.2[B], [C], [D] (discussing cases). In *Grant v. Esquire, Inc.*, 367 F. Supp. 876 (S.D.N.Y. 1973), for example, the court found that the mere use of a celebrity's identity could cause embarrassment for which mental distress damages would be available. The case involved a suit by Cary Grant against *Esquire* magazine for publishing a photograph in which Grant's head was superimposed on a clothing model's torso. Like Waits, Grant had taken a public position against reaping commercial profits from the publicity value of his identity. *Id.* at 880. The court, after finding that Grant had a protectable right of publicity, noted that "[i]f the jury decides in plaintiff Grant's favor he will of course be entitled to recover for any lacerations to his feelings that he may be able to establish" in addition to the fair market value of use of his identity. *Id.* at 881. Given the evidence that the commercial use of his voice was particularly offensive to Waits, we conclude that Waits' prayer for mental distress damages was properly submitted to the jury.

The defendants argue, however, that merely taking offense is an insufficient basis for awarding mental distress damages, and that under California law the evidence was insufficient to support the award. In California, mental distress damages may be recovered for "shame, humiliation, embarrassment, [and] anger." *Young v. Bank of America*, 141 Cal. App. 3d 108, 114

(1983); *see also Moore v. Greene*, 431 F.2d 584, 591 & n.3 (9th Cir. 1970) (damages available for anxiety, humiliation and indignity). Waits testified that when he heard the Doritos commercial, "this corn chip sermon," he was shocked and very angry. These feelings "grew and grew over a period of a couple of days" because of his strong public opposition to doing commercials. Waits testified, "[I]t embarrassed me. I had to call all my friends, that if they hear this thing, please be informed this is not me. I was on the phone for days. I also had people calling me saying, Gee, Tom, I heard the new Doritos ad." Added to this evidence of Waits' shock, anger, and embarrassment is the strong inference that, because of his outspoken public stance against doing commercial endorsements, the Doritos commercial humiliated Waits by making him an apparent hypocrite. This evidence was sufficient both to allow the jury to consider mental distress damages and to support their eventual award.

2. *Injury to Goodwill and Future Publicity Value*

The defendants next argue that reputational damages are available only in defamation actions and that since Waits did not allege or prove defamation, they were unavailable here. Further, they argue, there was no evidence to support the award of such damages because Waits did not show that his career had suffered. Again, we reject these contentions.

[10] We have no doubt, in light of general tort liability principles, that where the misappropriation of identity causes injury to reputation, compensation for such injury is appropriate. *See* Cal. Civ. Code § 3333 (West 1970) (available damages are those "which will compensate for all of the detriment" caused by defendant's tortious conduct). Reputational damages, moreover, have been awarded in right of publicity cases. *See Clark v. Celeb Publishing, Inc.*, 530 F. Supp. 979, 984 (S.D.N.Y. 1981) (applying California law); *Hirsch v. S.C. Johnson & Son, Inc.*, 90 Wis. 2d 379, 280 N.W.2d 129, 138 (1979). The central issue is not whether these dam-

ages were available, but whether the evidence was sufficient to establish injury to Waits' reputation. As we noted above, the jury could have inferred from the evidence that the commercial created a public impression that Waits was a hypocrite for endorsing Doritos. Moreover, it also could have inferred damage to his artistic reputation, for Waits had testified that "part of my character and personality and image that I have cultivated is that I do not endorse products." Finally, from the testimony of Waits' expert witness, the jury could have inferred that if Waits ever wanted to do a commercial in the future, the fee he could command would be lowered by $50,000 to $150,000 because of the Doritos commercial. This evidence was sufficient to support the jury's award of $75,000 for injury to Waits' goodwill and future publicity value.

D. *Punitive Damage Award*

The jury awarded Waits a total of $2 million in punitive damages for voice misappropriation: $1.5 million against Tracy-Locke and $500,000 against Frito-Lay. The defendants ask that we vacate this award, arguing that punitive damages are unavailable as a matter of law, and alternatively, that the evidence was insufficient to support their award.[4]

In California, exemplary or punitive damages are available "where it is proven by clear and convincing evidence that the defendant has been guilty of oppression, fraud, or malice." Cal. Civ. Code § 3294(a) (West Supp. 1992). The statute defines "malice" in pertinent part as "despicable conduct which is carried on by the defendant with a *willful and conscious disregard of the rights* or safety of others." *Id.*

[4]Beyond arguing that the issue should not have been submitted to the jury in the first instance, the defendants do not challenge the sufficiency of the court's jury instructions on punitive damages. Because we affirm the jury's conclusion that the defendants acted in conscious disregard of Waits' rights, we reject defendants' claim that the award of punitive damages violated their due process rights because they lacked notice their conduct would violate Waits' rights.

§ 3294(c)(1) (emphasis added). The defendants contend that because *Midler* was so recently decided and so imprecise in the scope of its holding, they could not have been aware of the rights they were infringing upon in broadcasting the commercial. Thus, they reason, their conduct was not in "conscious disregard" of Waits' property right in his voice.

Where an issue is one of first impression or where a right has not been clearly established, punitive damages are generally unavailable. *See, e.g., Morgan Guar. Trust Co. v. American Sav. & Loan Ass'n*, 804 F.2d 1487, 1500 (9th Cir. 1986), *cert. denied*, 482 U.S. 929 (1987); *Bartling v. Glendale Adventist Medical Center*, 229 Cal. Rptr. 360, 364 (Cal. Ct. App. 1986). The right of a well-known professional singer to control the commercial use of a distinctive voice, however, was not an "issue of first impression" in this case. The right had been established clearly by *Midler*. The evidence was unequivocal that, although *Midler* was decided just three months before the conduct at issue, Tracy-Locke personnel responsible for making the Doritos commercial were familiar with the *Midler* decision. Tracy-Locke was concerned enough that the commercial could result in voice misappropriation liability that it cautioned Frito-Lay of the legal risks in choosing the Carter version. At the same time, however, Tracy-Locke stated its readiness to indemnify Frito-Lay against damages. Frito-Lay, reassured by the indemnification, chose to proceed with the Carter version. In going forward with the commercial, the defendants knowingly took a calculated risk, thereby consciously disregarding the effect of these actions on Waits' legally recognized rights.

The defendants argue, however, that although they may have been aware that legal risks were involved, they had a good faith belief that Waits' rights would not be infringed because they read the legal precedents differently. This argument leaves us unpersuaded. Good faith cannot be manufactured by looking to the law of other jurisdictions to define the rights of California residents. *Midler* could not be more clear

that, in California at least, a well-known singer with a distinctive voice has a property right in that voice. Waits is a California resident, a fact of which Tracy-Locke personnel were aware. The defendants made a conscious decision to broadcast a vocal performance imitating Waits in markets across the country, including San Francisco and Los Angeles. This evidence is sufficient to raise at least a prima facie showing that defendants acted in conscious disregard of rights recognized in California.

Even if punitive damages are available, the defendants argue, the award must be vacated because it is not supported by clear and convincing evidence, as required by California law. Cal. Civ. Code § 3294(a). Clear and convincing evidence means evidence sufficient to support a finding of "high probability." *Mock v. Michigan Millers Mutual Ins. Co.*, 5 Cal. Rptr. 2d 594, 610 (Cal. Ct. App. 1992). On appeal, we must determine whether, viewing the evidence in the light most favorable to Waits, any rational jury could have found a high probability that the defendants acted with malice, *i.e.*, despicably and with willful and conscious disregard of Waits' rights. *See Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1013-14 (9th Cir. 1985) (evidence supports civil jury verdict if there is "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion"), *cert. denied*, 474 U.S. 1059 (1986); *cf. United States v. Juvenile Male*, 864 F.2d 641, 647 (9th Cir. 1988) (evidence supports criminal conviction if, viewed in light most favorable to prosecution, any rational jury could find elements of crime beyond a reasonable doubt).

The evidence the jury heard included testimony that Carter, the Waits impersonator, told Brenner that Waits had a policy against doing commercials and would not like this one. Brenner knew of Waits' policy because he had tried unsuccessfully to hire him for another commercial. In the face of Brenner's warnings that the commercial sounded too much like Waits and presented serious legal concerns, Grossman called a law-

yer. Although the lawyer thought the scenario Grossman painted him did not present a colorable legal problem, Grossman had not told the lawyer that the commercial featured a voice that sounded like Waits — only that the "feeling" of the music was the same. Grossman urged Frito-Lay to choose the Carter version over one that did not sound like Waits. Moreover, at the same time Grossman disclosed the legal risk involved with the Carter version, he stated that Tracy-Locke would indemnify Frito-Lay in the event of a lawsuit. The responsible Frito-Lay executive, who was also familiar with Waits and his background, chose to go with the Carter version. The effect of their actions on Waits, according to his testimony, was to tarnish the artistic integrity which he had striven to achieve.

[11] We believe that, viewed most favorably to Waits, this evidence was adequate to support a finding of high probability that Tracy-Locke and Frito-Lay acted with malice. Despicability reflects a moral judgment, "conscious disregard" a state of mind. A rational jury could have found the defendants' conduct despicable because they knowingly impugned Waits' integrity in the public eye. A rational jury also could have found that the defendants, in spite of their awareness of Waits' legal right to control the commercial use of his voice, acted in conscious disregard of that right by broadcasting the commercial. We therefore affirm the award of punitive damages.

II. *Lanham Act Claim*

Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), prohibits the use of false designations of origin, false descriptions, and false representations in the advertising and sale of goods and services. *Smith v. Montoro*, 648 F.2d 602, 603 (9th Cir. 1981). Waits' claim under section 43(a) is premised on the theory that by using an imitation of his distinctive voice in an admitted parody of a Tom Waits song, the defendants misrepresented his association with and endorsement of

SalsaRio Doritos. The jury found in Waits' favor and awarded him $100,000 in damages. The district court also awarded him attorney's fees under section 35 of the Lanham Act. On appeal, the defendants argue that Waits lacks standing to bring a Lanham Act claim, that Waits' false endorsement claim fails on its merits, that the damage award is duplicative, and that attorneys' fees are improper. Before we address these contentions, however, we turn to the threshold issue of whether false endorsement claims are properly cognizable under section 43(a) of the Lanham Act,[5] a question of first impression in this circuit.[6]

A. *False Endorsement*

At the time of the broadcast of the Doritos commercial, section 43(a) provided in pertinent part:

> Any person who shall affix, apply, or annex, or use in connection with any goods or services . . . a false designation of origin, or any false designation or representation . . . shall be liable to a civil action . . . by any person who believes that he is or is likely to be damaged by the use of any such false designation or representation.

15 U.S.C. § 1125 note (Amendments) (1988). Courts in other jurisdictions have interpreted this language as authorizing claims for false endorsement. *E.g., Better Business Bureau v. Medical Directors, Inc.*, 681 F.2d 397 (5th Cir. 1982);

[5]Although we agree with the defendants that the damage award is duplicative and vacate it, the underlying issues of the cognizability of false endorsement actions, Waits' standing to sue, and the merits of his Lanham Act claim are not moot, inasmuch as the judgment on this claim also supports an award of attorneys' fees.

[6]In *Cher v. Forum Int'l, Ltd.*, 692 F.2d 634, 637 n.1 (9th Cir. 1982), *cert. denied*, 462 U.S. 1120 (1983), we expressly declined to decide whether the Lanham Act provides relief for such a claim, and based our decision instead on state unfair competition law.

Jackson v. MPI Home Video, 694 F. Supp. 483 (N.D. Ill. 1988); *Wildlife Internationale, Inc. v. Clements*, 591 F. Supp. 1542 (S.D. Oh. 1984); *Geisel v. Poynter Prods., Inc.*, 283 F. Supp. 261, 267 (S.D.N.Y. 1968). Moreover, courts have recognized false endorsement claims brought by plaintiffs, including celebrities, for the unauthorized imitation of their distinctive attributes, where those attributes amount to an unregistered commercial "trademark." *See Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 205 (2d Cir. 1979) (recognizing claim under § 43(a) because uniform worn by star of X-rated movie confusingly similar to plaintiffs' trademark uniforms, falsely creating impression that plaintiffs "sponsored or otherwise approved the use" of the uniform); *Allen v. Men's World Outlet, Inc.*, 679 F. Supp. 360, 368 (S.D.N.Y. 1988) (celebrity states a claim under § 43(a) by showing that advertisement featuring photograph of a look-alike falsely represented that advertised products were associated with him); *Allen v. National Video, Inc.*, 610 F. Supp. 612, 625-26 (S.D.N.Y. 1985) (recognizing celebrity's false endorsement claim under § 43(a) because celebrity has commercial investment in name and face tantamount to interests of a trademark holder in distinctive mark); *see also Lahr v. Adell Chemical Co.*, 300 F.2d 256, 258 (1st Cir. 1962) (imitation of unique voice actionable as common law unfair competition); *cf. Sinatra v. Goodyear Tire & Rubber Co.*, 435 F.2d 711, 716 (9th Cir. 1970) (rejecting common law unfair competition claim because plaintiff's voice not sufficiently unique to be protectable), *cert. denied*, 402 U.S. 906 (1971).

[12] The persuasiveness of this case law as to the cognizability of Waits' Lanham Act claim is reinforced by the 1988 Lanham Act amendments. *See* Trademark Law Revision Act of 1988, Pub. L. 100-667, § 35, 102 Stat. 3946. The legislative history states that the amendments to section 43(a) codify previous judicial interpretation given this provision. S. Rep. No. 515, 100th Cong., 2d Sess., at 40, *reprinted in* 1988 U.S.C.C.A.N. 5577, 5603. Although these amendments did not take effect until November 1989, approximately a year

after the broadcast of the defendants' Doritos commercial, as a codification of prior case law and in the absence of controlling precedent to the contrary, they properly inform our interpretation of the previous version of section 43(a). Specifically, we read the amended language to codify case law interpreting section 43(a) to encompass false endorsement claims. Section 43(a) now expressly prohibits, *inter alia*, the use of any symbol or device which is likely to deceive consumers as to the association, sponsorship, or approval of goods or services by another person.[7] Moreover, the legislative history of the 1988 amendments also makes clear that in retaining the statute's original terms "symbol or device" in the definition of "trademark," Congress approved the broad judicial interpretation of these terms to include distinctive sounds and physical appearance. *See* S. Rep. No. 101-515 at 44, 1988 U.S.C.C.A.N. at 5607. In light of persuasive judicial authority and the subsequent congressional approval of that authority, we conclude that false endorsement claims, including those premised on the unauthorized imitation of an entertainer's distinctive voice, are cognizable under section 43(a).

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[7]Section 43(a), as amended in 1988, now reads in pertinent part:

Any person who, on or in connection with any goods or services . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation or origin, false or misleading description of fact, or false or misleading representation of fact, which —

> (1) *is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person*, or
>
> (2) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a) (1988) (emphasis added).

B. *Standing*

According to the defendants, however, Waits lacks standing to sue for false endorsement. They assert that because he is not in competition with the defendants, he cannot sue under the Lanham Act. Common sense contradicts this argument, for the purported endorser who is commercially damaged by the false endorsement will rarely if ever be a competitor, and yet is the party best situated to enforce the Lanham Act's prohibition on such conduct. Our circuit precedent, however, throws into question whether such a plaintiff must be a competitor of the defendant's in order to sue under section 43(a).

In *Smith v. Montoro*, 648 F.2d 602 (9th Cir. 1981), we declined to restrict standing under the Lanham Act to competitors. The plaintiff in *Smith*, an actor who had played a starring role in a movie, sued a film distributor when it replaced his name with another actor's name in the movie's credits and advertising. *Id.* at 603. We characterized the section 43(a) claim there as a "reverse passing off" claim, because the plaintiff's "mark" — his name — had been removed and another's substituted. We analogized this conduct to trademark infringement, because the injury involved was "of the same economic nature." *See id.* at 606-07 (quoting *Truck Equipment Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1216 (8th Cir.), *cert. denied*, 429 U.S. 861 (1976)). Like trademark infringement, the film distributor's conduct was "an attempt to misappropriate or profit from [the plaintiff's] talents and workmanship." *Id.* at 607 (citations omitted).

To have standing under the Lanham Act, we declared, "the plaintiff need not be in actual competition with the alleged wrongdoer." *Smith*, 648 F.2d at 607. Rather, the "dispositive question" in determining standing is whether the plaintiff "has a reasonable interest to be protected against false advertising." *Id.* at 608 (quoting 1 R. Callman, *Unfair Competition, Trademarks and Monopolies*, § 18.2(b), at 625 (3d ed. 1967) and citing *New West Corp. v. NYM Co. of Calif., Inc.*, 595 F.2d

1194, 1198 (9th Cir. 1979)). We concluded that, like a trademark holder, an actor has a "reasonable interest" in having his work product properly identified with his name, and therefore the plaintiff had standing under section 43(a). *See id.*

On the other hand, in *Halicki v. United Artists Communications, Inc.*, 812 F.2d 1213 (9th Cir. 1987), we dismissed the plaintiff's claim because he had failed to show competitive injury. The plaintiff, a movie producer, had entered into a contract with a film distributor under which the plaintiff's movie would be advertised with a "PG" rating. Instead, it was advertised with an "R" rating, thus curtailing its market among young audiences. *Id.* at 1213. The gravamen of the complaint was that the defendant had misrepresented the film's content in advertising it. We rejected the plaintiff's contention that to state a claim under the Lanham Act, all he need do was "show that the defendants made a false representation about his film and that he was injured by the representation." *Id.* at 1214. Rather, the plaintiff must also show that type of injury sustained is one the Lanham Act is intended to prevent.

We noted that an express purpose of the Lanham Act is to protect commercial parties against unfair competition. *Id.* Thus, we held that "[t]o be actionable, [the defendant's] conduct must not only be unfair but must in some discernible way be competitive." *Id.* The misrepresentation as to the film's rating, we concluded, while possibly actionable as breach of contract, was not actionable under the Lanham Act inasmuch as the plaintiff had not been injured by a competitor. *Id.* at 1214-15. This result, we stated, accords with congressional intent, for if such a limitation were not in place the Lanham Act would become a "federal statute creating the tort of misrepresentation." *Id.* at 1214.

[13] To interpret *Halicki* as suggested by the defendants, for the broad proposition that only competitors have standing under section 43(a) regardless of the type of claim asserted,

would create an impermissible conflict with *Smith*, where we held that actual competition is unnecessary. *See Smith*, 648 F.2d at 607-08. Where circuit precedent appears in conflict, we must attempt to reconcile it; if we cannot do so consideration en banc is appropriate. *See Atonio v. Wards Cove Packing Co.*, 810 F.2d 1477, 1478-79 (9th Cir. 1987) (en banc). We find that *Smith* and *Halicki* may be reconciled, and we begin with the basic principle both embody: that standing under section 43(a) exists where the interest asserted by the plaintiff is a commercial interest protected by the Lanham Act.

Its drafters wrote the purposes of the Lanham Act, two of which are relevant here, into the statute itself: to make "actionable the deceptive and misleading use of marks in . . . commerce" and "to protect persons engaged in . . . commerce against unfair competition." 15 U.S.C. § 1127 (1988). Section 43(a) reflects both of these purposes, providing two bases of liability: (1) false representations concerning the origin, association, or endorsement of goods or services through the wrongful use of another's distinctive mark, name, trade dress, or other device ("false association"), and (2) false representations in advertising concerning the qualities of goods or services ("false advertising"). *See, e.g.*, 2 J. Thomas McCarthy, *Trademarks and Unfair Competition* §§ 27:2-27:4, at 344-68 (2d ed. 1984) (discussing two prongs of section 43(a)); *U-Haul Int'l, Inc. v. Jartran, Inc.*, 681 F.2d 1159, 1160 (9th Cir. 1982) (discussing trademark infringement and false comparative advertising as two distinct causes of action under § 43(a)); *Spring Mills, Inc. v. Ultracashmere House, Ltd.*, 532 F. Supp. 1203, 1220 (S.D.N.Y.) (discussing false association and false advertising), *rev'd on other grounds*, 689 F.2d 1127 (2d Cir. 1982). *Halicki* and *Smith* are distinguishable, because they involve different prongs of section 43(a) liability and implicate distinct interests. *Cf. Halicki*, 812 F.2d at 1214 (distinguishing *Smith* on the basis of type of claim asserted).

We have recognized that simple claims of false representations in advertising are actionable under section 43(a) when brought by competitors of the wrongdoer, even though they do not involve misuse of a trademark. *See U-Haul*, 681 F.2d at 1160-61. The plaintiff's claim in *Halicki* was exclusively such a "false advertising" claim, for it sought redress for a simple misrepresentation as to a product's quality, the content of a movie.[8] We were at pains to point out that the plaintiff's injury was not related to the Lanham Act's purpose of preventing the "deceptive and misleading use of marks," 15 U.S.C. § 1127, declaring that the statute's purposes with regard to the use of trademarks were irrelevant to his claim. *See Halicki*, 812 F.2d at 1214. Rather, where the misrepresentation simply concerns a product's qualities, it is actionable under section 43(a) only insofar the Lanham Act's other purpose of preventing "unfair competition" is served. *See U-Haul*, 681 F.2d at 1162 (noting congressional intent to allow false advertising suits by competitors "to stop the kind of unfair competition that consists of lying about goods or services"). In such cases, *Halicki* counsels that a discernibly competitive injury must be alleged. We take an example close to *Halicki*'s facts, assuming for purposes of this hypothetical only that producers may rate their own films. If a film's distributor wrongfully indicates that a film is "PG"-rated when in reality it should be "R"-rated, a competitor with a PG-rated film would have standing: the misrated film theoretically draws young audiences away from the competitor's film because of the misrepresentation concerning the suitability of its content. In *Halicki*, however, the plaintiff lacked a discernibly competitive interest: he and the distributor were not independent actors in the marketplace, but rather had a contractual

[8]Although *Halicki* in passing characterizes the plaintiff's claim as one for "false designation" it does not use this term as a term of art to indicate the misuse of a trademark which falsely designates the film's origin or the association of the trademark's owner with the film. Instead, the term is used in its generic sense to refer to the use of a rating designation which falsely represents the film's content.

relationship in which the distributor agreed to act in the marketplace on the plaintiff's behalf. The interests asserted, therefore, were solely contractual and not within the zone of interests protected by the Lanham Act.

The plaintiff's claim in *Smith*, on the other hand, was a type of false association claim stemming from the misuse of a mark, for it alleged the wrongful removal of the plaintiff's name and the wrongful substitution of another's name. *Smith* teaches that where such a claim is presented, the plaintiff need not be a competitor, for the Lanham Act also grants a cause of action to certain noncompetitors who have been injured commercially by the "deceptive and misleading use of marks." *See* 15 U.S.C. § 1127; *see also Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366, 374 (S.D.N.Y. 1979) (owner of a mark has right to exploit mark commercially by having consumers associate mark only with owner's goods or services, regardless of whether misappropriator deals in competing or noncompeting goods or services). Those with standing to bring such a claim include parties with a commercial interest in the product wrongfully identified with another's mark, as in *Smith*, or with a commercial interest in the misused mark.[9] *See Doven-*

[9]We do not mean to imply that competition between the parties is irrelevant, for it is one factor examined by courts in analyzing the merits of a false association claim. A false association claim requires that the misuse of a trademark or other distinguishing device confuse consumers as to the origin, approval, or endorsement of the product. *See International Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 919-20 (9th Cir. 1980) (limiting infringement claims under section 43(a) to those where use of trademark leads to confusion over endorsement or sponsorship), *cert. denied*, 452 U.S. 941 (1981). Consumer confusion may be demonstrated by the use of similar or identical trademarks on competing goods, but may also be established in other ways. *See Lindy Pen Co. v. Bic Pen Corp.*, 796 F.2d 254, 255 (9th Cir. 1986) (competition between parties not automatically required to prevail on trademark infringement claim, but is one factor in determining likelihood of consumer confusion). Our conclusion that competition is unnecessary relates only to the determination of standing under section 43(a); analysis of the merits of such a claim is a separate inquiry. *See infra*, section II.C.

muehle v. Gilldorn Mortgage Midwest Corp., 871 F.2d 697, 700-01 (7th Cir. 1989) (only those with present commercial interest in trade name have standing to sue for its wrongful use under § 43(a)); *Berni Int'l Gourmet Restaurants of America, Inc.*, 838 F.2d 642, 648 (2d Cir. 1988) (plaintiff must have commercial or ownership interest in mark to have standing under § 43(a)); *cf. Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942) ("If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.").

A false endorsement claim based on the unauthorized use of a celebrity's identity is a type of false association claim, for it alleges the misuse of a trademark, *i.e.*, a symbol or device such as a visual likeness, vocal imitation, or other uniquely distinguishing characteristic, which is likely to confuse consumers as to the plaintiff's sponsorship or approval of the product. Standing, therefore, does not require "actual competition" in the traditional sense; it extends to a purported endorser who has an economic interest akin to that of a trademark holder in controlling the commercial exploitation of his or her identity. *See Allen v. National Home Video*, 610 F. Supp. at 625, 628 (celebrity's interest in the marketing value of his identity is similar to that of a trademark holder, and its misuse through evocation of celebrity's persona that creates likelihood of consumer confusion as to celebrity's endorsement is actionable under Lanham Act). Moreover, the wrongful appropriator is in a sense a competitor of the celebrity, even when the celebrity has chosen to disassociate himself or herself from advertising products as has Waits. They compete with respect to the use of the celebrity's name or identity. They are both utilizing or marketing that personal property for commercial purposes. Accordingly, we hold that a celebrity whose endorsement of a product is implied through the imitation of a distinctive attribute of the celebrity's identity, has standing to sue for false endorsement under section 43(a) of the Lanham Act.[10] Tom Waits, therefore, need not be a com-

[10]In reaching this conclusion, we are mindful that *Midler*, on facts similar to those involved here, disapproved the plaintiff's unfair competition

petitor in the traditional sense to sue under the Lanham Act for the imitation of his voice on the theory that its use falsely associated him with Doritos as an endorser. Rather, his standing was sufficiently established by the likelihood that the wrongful use of his professional trademark, his unique voice, would injure him commercially.

C. *Merits*

[14] The defendants next argue that Waits' false endorsement claim must fail on its merits because the Doritos commercial "did not represent that . . . [Waits] sponsored or endorsed their product." We disagree. The court correctly instructed the jury that in considering Waits' Lanham Act claim, it must determine whether "ordinary consumers . . . would be confused as to whether Tom Waits sang on the commercial . . . and whether he sponsors or endorses SalsaRio Doritos." The jury was told that in making this determination, it should consider the totality of the evidence, including the distinctiveness of Waits' voice and style, the evidence of actual confusion as to whether Waits actually sang on the commercial, and the defendants' intent to imitate Waits' voice. *See generally, Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 517 (9th Cir.) (discussing factors to be considered in determining likelihood of confusion, including strength of

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claim because she "did not do television commercials. The defendants were not in competition with her." *Midler*, 849 F.2d 460, 462-63. *Midler*, however, did not involve a Lanham Act claim, but rather a common law unfair competition claim. Nor were we called upon there to examine standing in the specific context of a false endorsement claim, for *Midler* had not grounded her unfair competition claim on such a theory. Notably, Midler had sought in the district court to amend her complaint to include a claim under section 43(a) of the Lanham Act on a theory of false endorsement. The district court denied her request, not because she lacked standing as the defendants there had argued, but because her delay in seeking to amend was prejudicial. *See Midler v. Ford Motor Co.*, No. 86-2683 (C.D. Cal.), Record at 7, 43, 48. Our statement in *Midler*, therefore, is dicta as it relates to Lanham Act standing and is not controlling here.

mark, similarity of marks, evidence of actual confusion, marketing channels used, and intent in selecting marks), *cert. denied*, 493 U.S. 872 (1989).

At trial, the jury listened to numerous Tom Waits recordings, and to a recording of the Doritos commercial in which the Tom Waits impersonator delivered this "hip" endorsement of SalsaRio Doritos: "It's buffo, boffo, bravo, gung-ho, tally-ho, but never mellow.... try' em, buy 'em, get 'em, got 'em." The jury also heard evidence, relevant to the likelihood of consumer confusion, that the Doritos commercial was targeted to an audience which overlapped with Waits' audience, males between the ages of 18 to 35 who listened to the radio. Finally, there was evidence of actual consumer confusion: the testimony of numerous witnesses that they actually believed it was Tom Waits singing the words of endorsement.

[15] This evidence was sufficient to support the jury's finding that consumers were likely to be misled by the commercial into believing that Waits endorsed SalsaRio Doritos. *See Allen v. Men's World Outlet*, 679 F. Supp. at 368-69 (likelihood of consumer confusion established where advertiser intentionally used a look-alike of well-known celebrity and where audience to whom commercial was directed intersected with celebrity's audience); *Allen v. National Home Video*, 610 F. Supp. at 626-27 & n.8 (use of celebrity look-alike in pose of product spokesperson sufficient to indicate endorsement). The jury's verdict on Waits' Lanham Act claim must therefore stand.

D. *Damages*

The defendants urge us to vacate the damage award on Waits' Lanham Act claim as duplicative of those damages awarded for voice misappropriation representing the fair market value of Waits' services. Waits does not contest this point. Standing by the representations he made to the jury at trial that he was not seeking a double recovery, he asserts on

appeal that he "does not oppose a reduction of the final judgment in the amount of $100,000 based on the overlapping Lanham Act award."

[16] In instructing the jury on Waits' Lanham Act claim, the court stated that it could award damages for the fair market value of Waits' services. The jury awarded Waits $100,000 on this claim. It also awarded Waits $100,000 for the fair market value of his services on his voice misappropriation claim. The damages awarded under the Lanham Act, therefore, are duplicative. Accordingly, we vacate this portion of the judgment.

E. *Attorneys' Fees*

[17] Section 35 of the Lanham Act authorizes attorneys' fee awards for prevailing plaintiffs in "exceptional cases." 15 U.S.C. § 1117. Exceptional cases include those in which the defendants' conduct is "malicious, fraudulent, deliberate, or wilful." *Sealy, Inc. v. Easy Living, Inc.*, 743 F.2d 1378, 1384 (9th Cir. 1984) (citing S. Rep. No. 1400, 93rd Cong., 2d Sess. (1974), *reprinted in* 1974 U.S.C.C.A.N. 7132); *see Transgo*, 768 F.2d at 1026. We review attorneys' fee awards under the Lanham Act for abuse of discretion. *Transgo*, 768 F.2d at 1026.

In awarding punitive damages on Waits' voice misappropriation claim, the jury specifically found that the defendants had acted with oppression, fraud, or malice. That finding qualifies this case as an exceptional one within the meaning of section 35. The district court was therefore within its discretion in awarding Waits reasonable attorneys' fees.

CONCLUSION

Waits' voice misappropriation claim and his Lanham Act claim are legally sufficient. The court did not err in instructing the jury on elements of voice misappropriation. The jury's

verdict on each claim is supported by substantial evidence, as are its damage awards. Its award of damages on Waits' Lanham Act claim, however, is duplicative of damages awarded for voice misappropriation; accordingly we vacate it. Finally, the court did not abuse its discretion in awarding attorneys' fees under the Lanham Act.

Waits is awarded his costs on appeal.

AFFIRMED in part and VACATED in part.

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

TOM WAITS, Plaintiff, v. FRITO-LAY, INC., and TRACY LOCKE, INC. Defendants.	)	CV 88-6478-JMI
	)	ORDER DENYING DEFENDANTS' MOTION FOR JUDGMENT NOTWITHSTANDING THE VERDICT;
	)	ORDER DENYING DEFENDANTS' MOTION FOR A NEW TRIAL;
	)	ORDER GRANTING PLAINTIFF'S MOTION FOR ATTORNEYS' FEES;
	)	ORDER DENYING PLAINTIFF'S MOTION FOR TREBLE DAMAGES

IT IS HEREBY ORDERED:

1. Defendants' motion for judgment notwithstanding the verdict pursuant to Rule 50 of the Federal Rules of Civil Procedure is hereby DENIED.

2. Plaintiff TOM WAITS ("Waits") won a

jury verdict on May 8, 1990. As a result of the verdict, both Defendants TRACY LOCKE, INC. and FRITO-LAY, INC. ("Defendants") were held liable for misappropriation of voice under Midler v. Ford Motor Co., 849 F.2d 460 (9th Cir. 1988), and false designation of origin under section 43(a) of the Lanham Act. (15 U.S.C. § 1125(a)).

Defendants were held liable for:

1) the fair market value of Plaintiff's vocal services in the subject radio commercial, had they been utilized, in the sum of $100,000;

2) damages with respect to Plaintiff's peace, happiness and feelings in the amount of $200,000;

3) damages with respect to injury to Plaintiff's goodwill, professional standing and future publicity value in the amount of $75,000;

4) compensatory damages under the

Lanham Act in the sum of $100,000;

5) punitive damages in the total amount of $2,000,000. ($1,500,000 against Tracy-Locke and $500,000 against Frito-Lay.)

3. a court may enter a JNOV only if it finds that:

> the evidence and its inferences, considered as a whole and viewed in the light most favorable to the nonmoving party, can support only one reasonable conclusion -- that the moving party is entitled to judgment notwithstanding the adverse verdict. (Citations omitted.) Neither the district court nor [the appellate] court is free to weigh the evidence or reach a result that it finds more reasonable as long as the jury's verdict is supported by substantial evidence.

William Inglis & Sons Banking Co. v. ITT

Continental Baking Company, Inc., 668 F.2d 1014, 1026 (9th Cir. 1981).

4. Defendants first contend that Midler v. Ford Motor Co., 849 F.2d 460 (9th Cir. 1988), has been effectively overruled by the U.S. Supreme Court in Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. _____, 103 L.Ed.2d 118, 109 S.Ct. 971 (1989).

Midler, supra, held that "when a distinctive voice of a professional singer is widely known and is deliberately imitated in order to sell a product, the sellers have appropriated what is not theirs and have committed a tort in California." Id. at 463. The Midler Court found that this is a property right and that the appropriation of such rights is a tort in California. Id.

In Bonito Boats, supra, the U.S. Supreme Court struck down a Florida

statute that protected the utilitarian conceptions of boat hulls, without regard to ornamental or technological considerations, because this conflicted with the federal patent system. Id. The Defendants contend that the same reasoning applies here in that the federal copyright scheme preempts States from offering the type of protection that the Midler decision applied.

However in Bonito Boats, the Court stated that "[o]ur decisions...have made it clear that the Patent and Copyright Clauses do not, by their own force or by negative implication, deprive the States of the power to adopt rules for the promotion of intellectual creation within their own jurisdictions." 109 S.Ct. at 985.

The Court further stated that "States may place limited regulations on the use of unpatented designs in order to

prevent consumer confusion as to source." Id. The Court went on to hold that States could regulate areas where the state protection was not aimed exclusively at the promotion of the invention itself and that the state restrictions on the use of the unpatented idea was [sic] limited to those necessary to promote goals outside the contemplation of the federal patent scheme. Id.

In this case, voice misappropriation is clearly not preempted by the federal copyright system. Voice misappropriation is like state unfair competition claims that are designed to prevent consumer confusion. In fact, the jury instructions in the case required the jury to find actual confusion. The state tort in this case seeks to protect the performer form having attributes of his identity used against his will. Such

claims do not come into conflict with the federal patent and copyright statutes, therefore, Bonito Boats does [sic] expressly or impliedly overrule Midler.

5. Defendants next contend that they are entitled to JNOV because their was no evidence of deliberateness. Defendants contend that there is no evidence which even suggests deliberation about the use of a voice which sounded like Waits.

However, this is clearly contrary to the evidence that was presented at trial. That evidence viewed in a light most favorable to the Plaintiff, included: 1) that Tracy-Locke sought out Stephen Carter because they understood that he did a Tom Waits impersonation; 2) that Carter appeared at the auditions with various Tom Waits tapes in hand; 3) when Carter auditioned for the spot, Jerry Roach did a double take, because Carter sounded so much like Waits; 4) David Wolf

told Carter that he probably would not be hired because he sounded too much like Waits; 5) Carter was hired and used his Tom Waits voice in the commercial; 6) Carter told producer Eric Brenner that if Tom Waits heard the commercial, he would not like it because he had a policy against doing commercials. Brenner responded by saying words to the effect: "Don't I Know. We once tried to get him to do a Diet Coke commercial and you never heard anyone say 'No' so fast in all your life."; 7) Brenner knew of the Midler precedent and warned Howard Grossman that their might be a legal problem; 8) Grossman consulted a lawyer who advised him their was a high profile risk of a lawsuit; and 9) Brenner produced an alternate version and offered both versions to Tracy-Locke and Frito-Lay. They choose the Carter version because it was the closest to what they

wanted.

All of this evidence taken together clearly supports the jury's finding of deliberateness. This evidence viewed in a light most favorable to the Plaintiff can support a jury finding that the Defendants deliberately imitated Waits voice in order to sell their product. Therefore judgment notwithstanding the verdict is denied as to this issue.

6. Defendants next contend that they are entitled to JNOV because the Plaintiff has evidenced no facts which could give rise to liability under section 43(a) of the Lanham Act. The Defendants contend that there was no wrongful use of a symbol or representation and that there was no representation of sponsorship or endorsement.

Section 43(a) states:

Any person who shall affix, apply,

> or annex, or use in connection with any goods or services ... a false designation of origin or any false description or representation, including words or other symbols tending falsely to represent the same ... shall be liable to a civil action ... by any person who believes that he is or is likely to be damaged by the use of such false description or representation.

15 U.S.C. § 1125(a).

A number of courts have held that a cause of action can be stated under this section where there is a false representation that the defendants' products are associated with or sponsored by the Plaintiff.

In Dallas Cowboy Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979), the Second Circuit held that the Dallas Cowboy Cheerleaders

stated a claim under the section 43(a) of the Lanham Act because their "trademark" uniforms were confusingly similar to the "uniform" used by the star of the X-rated movie "Debbie Does Dallas". Id. at 204. The Court stated that "[t]he public's belief that the mark's owner sponsored or otherwise approved the use of the trademark satisfies the confusion requirement." Id. at 205.

See Also Allen v. Men's World Outlet, Inc., 679 F.Supp. 360 (S.D.N.Y. 1988) (defendants use of Woody Allen look-alike in print ad was a false representation that the defendant's products were associated with Allen); Better Business Bureau of Metropolitan Houston, Inc. v. Medical Directors, Inc., 681 F.2d 397 (5th Cir. 1982) (defendant's advertisement actionable where it misleadingly suggested the Better Business Bureau approved Defendant's

program).

In this case, the false representation is Waits' apparent sponsorship or endorsement of "Salsa Rio Doritos". In this regard Waits distinctive voice is like the distinctive cheerleaders' uniforms. The voice on the commercial confused many people into thinking that Tom Waits had endorsed or approved the product like in Allen and Better Business Bureau. Those people included music critic Patrick Goldstein and disc jockey Roger Steffens. This is all that is required to prevail under the Lanham Act. Therefore, JNOV is denied as to the Lanham Act claim.

7. Defendants next contend that they are entitled to JNOV on the claim for punitive damages. Defendants contend that there was no evidence of any act or state of mind which would qualify any evidence let alone clear and convincing

evidence of malice oppression or fraud as defined by California Civil Code § 3294(a).

The standard for a claim for punitive damages is clearly established in California. "Punitive damages are proper only when the tortious conduct rises to levels of extreme indifference to plaintiff's rights, a level which decent citizens should not have to tolerate." Hughes v. Blue Cross of Northern California, 215 Cal.App.3d 832, 847 (1989).

Viewing the evidence in a light most favorable the Plaintiff, there was at least a prima facia showing a clear and convincing evidence of fraud, oppression, or malice. The evidence stated above in establishing deliberateness also applies here. Specifically, Stephen Carter told Brenner that Waits would not like the commercial, because he had a policy

against doing commercials. Brenner responded. "Don't I know. We tried to get him to do a Diet Coke commercial and you never heard anyone say 'No' so fast in all your life." Brenner then warned Grossman, who urged Frito-Lay to use the commercial even though there was a high profile possibility of a lawsuit.

The jury could have drawn from this and other evidence that Brenner knew the commercial contained a Waits impersonation, and also that Waits refused to do commercials. The jury cold conclude that by going forward with the commercial the Defendants acted in complete disregard for Waits right to exploit his voice as he sees fit and that the Defendants' conduct was malicious and despicable. Therefore, JNOV is denied as to the punitive damages claim.

8. The Defendants next contend that the Plaintiff was not entitled to seek

damages with respect to his peace, happiness and feelings. The Defendants contend that Midler limits damages to actual market value of the Plaintiff's performance and even if Midler allows it there was no evidence of highly unpleasant mental reactions.

No where in Midler does the court limit damages to market value alone. As this Court observed during the review of the jury instructions, if the measure of damages was limited to the market value of a celebrity, the ad agency would be in a position to say to a Midler plaintiff "Either you appear in this commercial, or we hire an impersonator for scale and then pay you market value after years three years of litigation."

Numerous Courts have held that plaintiffs are entitled to damages for emotional distress where their names or likenesses are used in order to sell

products. In Grant v. Esquire, Inc., 367 F.Supp. 876 (S.D.N.Y. 1973), the district court held that actor Cary Grant was entitled to collect emotion distress type damages where the defendant magazine had placed his face on the body of a model who was modeling clothing. The Court found that Grant could have been emotionally distressed because other people would be confused into thinking that he modeled the clothes. Id. at 879. See Also Fairfield v. American Photocopy Equipment Company, 138 Cal.App.2d 82, 291 P. 194 (1955); National Bank of Commerce v. Shaklee Corporation, 503 F.Supp: 533, 548 (W.D. Tex, 1980). Therefore, JNOV is denied as to this claim.

9. Defendants' motion for a new trial pursuant to Rule 59 of the Federal Rules of Civil Procedure is hereby DENIED.

10. "In determining whether to grant a new trial, the district court must decide

whether, it its conscientious opinion, the verdict is clearly contrary to the weight of the evidence." (Emphasis supplied.) Traver v. Meshriv, 627 F.2d 934, 940 (9th Cir. 1980).

11. Defendants first contend that they should be granted a new trial because the voice appropriation instructions were inadequate and hence erroneous. Specifically, Defendants contend that the distinctiveness and widely knownness instructions were inadequate.

Court's Instruction No. 45 defined distinctiveness as follows:

> A voice is distinctive if it is distinguishable from the voices of other singers. A voice is distinctive if it has particular qualities or characteristics that identify it with that particular singer. To decide this issue, you may consider whether you believe Mr.

> Waits' voice is distinctive based on the recordings that you have heard during the trial. You may also consider the testimony and opinions of the various witnesses, including any expert witnesses.

This instruction clearly instructs the jury to consider all testimony including the Defendants' experts witnesses. Thus, the jury could consider the points made by the experts, namely that distinctiveness is relative and that there are different sound concepts such as sounds, timbre, and texture.

The jury in this case listened to over three weeks of testimony, which included numerous audio recordings of Tom Waits that were played by both the Plaintiff and the Defendant. In addition, the jury heard from a number of experts of both the Plaintiff and Defendant. Therefore, the jury was well

equipped to decide whether Waits voice is distinctive based on their own perceptions and experience and considering the testimony of the experts. By inserting the Defendants' proposed terms of the art into the jury instruction the definition of distinctiveness would only become clouded and would have caused the jury great confusion.

Court's Instruction 46 provided, in part:

> A professional singer's voice is widely known if it known [sic] to a large number of people throughout a relatively large geographic area. On the other hand, a professional singer whose voice is known only to a small number of people in a relatively small geographic area (i.e., a neighborhood, a single city) does not have a voice that is

widely known.

The "widely known" requirement in Midler seems to be an implied requirement that there be consumer/listener confusion. If a singer is known throughout the country, then the broadcast of a commercial that uses an imitation of his voice is likely to create confusion in the markets where the commercial is played. If, on the other hand, the singer is only known in a limited geographic area, then an imitation of his voice will not create confusion if broadcast in national or regional markets.

Moreover, to the extent that one "widely known" singer is less popular than another will be reflected in market value damages that the singer might be able to recover. Therefore, these instructions do warrant the granting of a new trial.

12. The Defendants next contend that a new trial should be granted because the Court erred by refusing to give Defendants' Proposed Instruction No. 1 and Proposed Supplemental Instructions 1 and 2. These instructions discussed the difference between voice and style. Defendants contend that regardless of whether or not a voice can be deemed property, style of performance is in the public domain.

The Defendants concede that they were trying to copy Waits' style, but not his voice. The Midler instructions given by the Court were clearly limited to voice, and by no means implied that "style" was protected. Defendants' counsel argued throughout the trial that they copied the style, but not the voice of Waits. Defense counsel also argued the difference between the two in his closing argument. By the verdict, the

jury obviously concluded that the Defendants did more than just copy Waits' style. Therefore, a new trial would be inappropriate based on these instructions.

13. The Defendants next contend that they should be granted a new trial because there was insufficient evidence of "widely knownness". Defendants contend that Waits is not nearly as well known as was Bette Midler. While this is no doubt true, it does not preclude recovery in this case.

The great weight of evidence produced at trial indicates that Tom Waits is very widely known. That evidence included: 1) Waits has recorded or released 17 albums; 2) Waits' albums have appeared on the top-200 list; 3) Waits has appeared as a guest artist on two compilation albums; 4) Waits has appeared in sold out concerts (typically

venues of 15,000 plus) throughout the United States; 5) Waits has appeared in sold out concerts throughout Europe, Japan, and Australia; 6) Waits received the Rolling Stone 1987 Critic's Award for Best Live Performance; 7) Waits was listed as one of the ten most interesting recording artists of the last five years by SPIN magazine (March 1990); 8) Island Films distributed "Big Time", a feature film based on Waits' most recent U.S. tour; 9) Waits has appeared in numerous films, including "Ironweed", "The Cotton Club", and "Down By Law", playing leading and supporting roles; 10) Waits' songs have appeared in films such as "One From the Heart", for which he received an academy award nomination; 11) Waits has appeared in two plays, including "Demon Wine" for which he won a Dramalogue award; 12) Waits has performed on television shows including "Saturday

Night Live", "Late Night with David Letterman", "The Dinah Shore Show", and "The Mike Douglas Show". This evidence clearly supports a jury verdict of "widely known" and a new trial should not be granted on this issue.

14. The Defendants next contend that they should be granted a new trial because there was insufficient evidence of deliberateness to support a judgment for voice appropriation. For the reasons discussed above, the Defendants are not entitled to a new trial because of this issue.

15. Finally, the Defendants contend that there was insufficient evidence to support the damage awards and that the damages were excessive.

a. Market Value Damages

Plaintiff's expert Richard Lewis testified that Waits would have been entitled to $150,000 for doing the

commercial based on his rule of thumb that talent is entitled to 10% of the commercial's budget. Additionally, Lewis testified that Waits would have to be paid a premium because Waits had not done commercials before (the virginity factor). The jury awarded $100,000 for market value, which is within the experts testimony.

b. Injury to peace, happiness, and feelings

Taking into consideration all of the evidence, the jury was justified in awarding $200,000. The jury could have concluded that because of Waits' firm stand against commercials that he was emotionally injured as a result of this very close imitation. The jury could draw from its common experience to understand the distress and anguish Waits felt in knowing that an imitation of his voice was selling corn chips. In a case

such as this, the jury is given broad discretion to award damages. See Fairfield v. American Photo Equipment Company, 138 Cal.App.2d 82, 291 P. 194 (1955). Therefore, this damage award is supported by evidence and not excessive.

c. Reputation damages

The jury awarded $75,000 for reputation damages. In doing so, the jury could have put a price tag on Waits' "lost virginity factor". This number is also keeping with the expert testimony of the premium Waits would have to be paid if he could be enticed to do his first commercial.

d. Punitive damages

The punitive damages in this case are also not excessive and well within the range the jury could have awarded. The Jury awarded $500,000 against Frito-Lay and $1,500,000 against Tracy-Locke. In this case, there is ample evidence to

support a punitive damages verdict. (See discussion of deliberateness above)

The California Supreme Court has stated that "[i]n the matter of punitive damages, it is clear from the authorities that juries have a wider discretion in this regard than they have in the matter of compensatory damages." Scott v. Times Mirror Co., 181 Cal. 345, 185 P. 672 (1919); Wetherbee v. United Insurance Company of America, 18 Cal.App.3d 266, 271, 95 Cal. Rptr. 678, 681-82 (1971).

Defendants argue that the punitive damage awards were not related to the compensatory damage awards. "While California law requires that punitive damages bear a reasonable relationship to compensatory damages, there is no fixed ratio or formula for determining the proper portion between the two." Transgo, Inc. v. AJAC Transmission Parts Corp., 768 F.2d 1001, 1025 (9th Cir,

1985). In this case the ratio of punitive damages to compensatory damages is 5.33 to 1. That figure is well within the range of decisions in this circuit and in California. In Moore v. American United Life Insurance Co., 150 Cal.App.3d 610, 637, 197 Cal. Reptr. 878, 895 (1984), the court affirmed a punitive damage award of $2,500,000, where compensatory damages were $30,000 (83.33 to 1). In Vossler v. Richards Manufacturing Company, Inc., 143 Cal.App.3d 952, 192 Cal.Rptr. 219 (1983), the ration was 20 to 1, with $500,000 in punitive damages and $25,000 in compensatory damages.

Moreover, the facts in this case clearly support a damage award with a ratio of 5.33 to 1. Therefore, Defendants motion for a new trial is denied on all grounds.

16. Plaintiff's motion for attorneys'

fees under the Lanham Act is hereby GRANTED.

17. The Plaintiff has also made a motion for attorneys's fees pursuant to section 35 of the Lanham Act. They request attorneys fees in the amount of $126,475. Section 35 states, in part,

> In assessing damages the court may enter judgment, according to the circumstances of the case ... The Court in exceptional cases may award reasonable attorneys' fees on the prevailing party."

15 U.S.C. § 1117.

The Ninth Circuit has held that a case is exceptional "where the infringement is malicious, fraudulent, deliberate or willful." Sealy, Inc. v. Easy Living, Inc., 743 F.2d 1378, 1384 (9th Cir. 1984). See Also Playboy Enterprises v. Baccarat Clothing Co., Inc., 692 F.2d 1272 (9th Cir. 1982);

Transgro, Inc. v. Ajac Transmission Parts Corp., 768 F.2d 1001 (9th Cir. 1985); Academy of Motion Picture Arts and Sciences v. Creative House Promotions, Inc., 728 F.Supp. 1442 (C.D. Cal. 1989).

In this case, the jury returned an award of punitive damages against both Defendants. To do so, the jury specifically found that the Defendants acted with oppression, fraud, or malice. That finding makes this case "exceptional" for the purpose of Section 35, therefore reasonable attorneys' fees are warranted in this action.

18. In awarding attorneys' fees, the Ninth Circuit has set forth a number guidelines to be used to determine the reasonableness of the award. Kerr v. Screen Extras Guild, Inc., 526 F.2d 67, 69 (9th Cir. 1975). Of particular importance in this case are 1) the time and labor required; 2) the novelty and

difficulty of the questions presented; 3) the preclusion of employment by the attorney due to the acceptance of the case; and 4) the amounts involved and the results obtained.

In this case, the declarations of Howard King and Kevin Marks indicate that King devoted not less than 300 hours to the case, including nine trial days, four days of depositions in Dallas, four days of depositions in Los Angeles, and numerous witness interviews. Marks devoted 289 hours to the case, including nine trial days, preparation of pretrial papers (including briefs and jury instructions), witness interviews, and legal research. King billed at a rate of $250 per hour and Marks billed at $175 an hour.

These fees totaled $126,475. This figure appears to be reasonable as this is a novel case. This was the first case

to go to trial in any jurisdiction that tested the Midler elements of distinctive and widely known. This was also a novel case because it tried to a judgment a claim of false designation of sponsorship based on the imitation of a voice in a radio commercial.

Finally, King and Marks are the only two litigation attorneys with their firm. Taking a case like this meant that other litigation matters must be turned away or deferred.

Therefore, attorneys' fees are awarded in this case in the amount of $126,475.

19. Plaintiff's motion for treble damages under the Lanham Act is hereby DENIED.

20. Next the Plaintiff is moving pursuant to section 35 of the Lanham Act to treble the jury's award of actual damages from $100,000 to $300,000.

Section 35 states, in part,

> In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three time such amount.

15 U.S.C. § 1117.

Damage awards under the Lanham Act may be increased where, as here, there has been a finding of willful and deliberate conduct on the part of the defendants. Rolex Watch U.S.A., Inc. v. Dauley, 230 U.S.P.Q. 617 (N.D. Cal. 1986). The Court may also award increased damages where the Plaintiff has sustained damages above and beyond those actually awarded under his Lanham Act claim. U-Haul International, Inc. v. Jartran, Inc., 601 F.Supp. 1140, 1150 (D.Ariz. 1984), aff'd in part and rev'd in part, 793 F.2d 1043 (9th Cir. 1986).

In this case, the Court will not treble the instant damage award. The jury found that Waits actual damages under the Lanham Act were $100,000 and that award should not be disturbed, even though their has been willful and deliberate conduct on the part of the Defendants. It must be remembered that the jury awarded Waits over $2,000,000 in punitive and compensatory damages on the state voice appropriation claim. All of his damages are well taken care of by these two awards. Therefore, the motion to treble the Lanham Act award is hereby denied.

IT IS SO ORDERED.

DATED: 18 Jul 90

/s/
JAMES M. IDEMAN
United States District Judge

Stamped Filed: July 19, 1990
Stamped Entered: July 23, 1990

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

TOM WAITS,	)	CV 88-6478-JMI (Ex)
	)	
Plaintiff,	)	JUDGMENT
	)	
v.	)	
	)	
FRITO-LAY, INC., and TRACY LOCKE, INC.	)	
	)	
	)	
Defendants.	)	
	)	

IT IS HEREBY ORDERED:

1. That upon his claim for misappropriation of voice, Plaintiff Tom Waits shall recover against Defendants Frito-Lay, Inc. and Tracy Locke, Inc. compensatory damages in the sum of $375,000, allocated as follows: $100,000 as the fair market value for Plaintiff's services; $200,000 as damages to his peace, happiness and feelings; and $75,000 as damages to his goodwill, professional standing and future

publicity value.

2. In addition, Plaintiff Tom Waits shall recover punitive damages of $1,500,000 against Tracy Locke, Inc. and puntive damages of $500,000 against Frito-Lay, Inc.

3. That upon his claim for false designation of origin or false description or representation, that Plaintiff Tom Waits shall recover $100,000 against Frito-Lay, Inc. and Tracy Locke, Inc., exclusive of costs.

4. In addition, upon his claim for false designation of origin, or false designation and representation, the Court awards the prevailing party Tom Waits his reasonable attorneys' fees in the amount of $126,475.

5. Plaintiff Tom Waits is entitled to recover his costs.

IT IS SO ORDERED.

DATED: 18 Jul 90

/s/
James M. Ideman
United States District Judge

Stamped Filed: July 19, 1990
Stamped Entered: July 23, 1990

17 U.S.C. § 101. Definitions [in relevant part]

As used in this title, the following terms and their variant forms mean the following:

* * *

A work is "fixed" in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds, images, or both, that are being transmitted, is "fixed" for purposes of this title if a fixation of the work is being made simultaneously with its transmission.

* * *

"Phonorecords" are material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "phonorecords" includes the material object in which the sounds are first fixed.

* * *

"Sound recordings" are works that result from the fixation of a series of musical, spoken, or other sounds, but not

including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied.

§ 102. Subject matter of copyright: In general

(a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

(1) literary works;

(2) musical works, including any accompanying words;

(3) dramatic works, including any accompanying music;

(4) pantomimes and choreographic works;

(5) pictorial, graphic, and sculptural works;

(6) motion pictures and other audiovisual works;

(7) sound recordings; and

(8) architectural works.

(b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such

work.

§ 106. Exclusive rights in copyrighted works

Subject to sections 107 through 120, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;

(2) to prepare derivative works based upon the copyrighted work;

(3) to distribute copies of phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; and

(5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly.

§ 114. Scope of exclusive rights in sound recordings

(a) The exclusive rights of the owner of copyright in a sound recording are limited to the rights specified by clauses (1), (2) and (3) of section 106, and do not include any right of performance under section 106(4).

(b) The exclusive right of the owner of copyright in a sound recording under clause (1) of section 106 is limited to the right to duplicate the sound recording in the form of phonorecords, or of copies of motion pictures and other audiovisual works, that directly or indirectly recapture the actual sounds fixed in the recording. The exclusive right of the owner of copyright in a sound recording under clause (2) of section 106 is limited to the right to prepare a derivative work in which the actual sounds fixed in the sound recording are rearranged, remixed, or otherwise altered in sequence or quality. The exclusive rights of the owner of copyright in a sound recording under clauses (1) and (2) of section 106 do not extend to the making or duplication of another sound recording that consists entirely of an independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording. The exclusive rights of the owner of copyright in a sound recording under clauses (1), (2) and (3) of section 106 do not apply to sound recordings included in educational television and radio programs (as defined in section 397 of title 47) distributed or transmitted by or through public broadcasting entities

(as defined by section 118(g)): Provided, That copies of phonorecords of said programs are not commercially distributed by or through public broadcasting entities to the general public.

(c) This section does not limit or impair the exclusive right to perform publicly, by means of a phonorecord, any of the works specified by section 106(4).

(d) On January 3, 1978, the Register of Copyrights, after consulting with representatives of owners of copyrighted materials, representatives of the broadcasting, recording, motion picture, entertainment industries, and arts organizations, representatives of organized labor and performers of copyrighted materials, shall submit to the Congress a report setting forth recommendations as to whether this section should be amended to provide for performers and copyright owners of copyrighted material any performance rights in such material. The report should describe the status of such rights in foreign countries, the views of major interested parties, and specific legislative or other recommendations, if any.

§ 301. Preemption with respect to other laws

(a) On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statues of any State.

(b) Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to:

(1) subject matter that does not come within the subject matter of copyright as specified by sections 102 and 103, including works of authorship not fixed in any tangible medium of expression; or

(2) any cause of action arising from undertakings commenced before January 1, 1978;

(3) activities violating legal or equitable rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106; or

(4) State and local landmarks, historic preservation, zoning, or building codes, relating to architectural works protected under section 102(a)(8).

(c) With respect to sound recordings fixed before February 15, 1972, any rights or remedies under the common law or statutes of any State shall not be annulled or limited by this title until February 15, 2047. The preemptive provisions of subsection (a) shall apply to any such rights and remedies pertaining to any cause of action arising from undertakings commenced on and after February 15, 2047. Notwithstanding the provisions of section 303, no sound recording fixed before February 15, 1972, shall be subject to copyright under this title before, on, or after February 15, 2047.

(d) Nothing in this title annuls or limits any rights or remedies under any other Federal statute.

(e) The scope of Federal preemption under this section is not affected by the adherence of the United States to the Berne Convention or the satisfaction of obligations of the United States thereunder.

(f) (1) On or after the effective date set forth in section 610(a) of the Visual Artists Rights Act of 1990, all legal or equitable rights that are equivalent to any of the rights conferred by section 106A with respect to works of visual art to which the rights conferred by section 106A apply are governed exclusively by section 106A and section 113(d) and the provisions of this title

relating to such sections. Thereafter, no person is entitled to any such right or equivalent right in any work of visual art under the common law or statutes of any State.

(2) Nothing in paragraph (1) annuls or limits any rights or remedies under the common law or statutes of any State with respect to--

(A) any cause of action from undertakings commenced before the effective date set forth in section 610(a) of the Visual Artists Rights Act of 1990;

(B) activities violating legal or equitable rights that are not equivalent to any of the rights conferred by section 106A with respect to works of visual arts; or

(C) activities violating legal or equitable rights which extend beyond the life of the author.

Supreme Court, U.S.
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DEC 17 1992
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No. 92-863

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1992

FRITO-LAY, INC. and TRACY-LOCKE, INC.,
Petitioners,

v.

TOM WAITS,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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December 17, 1992

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COUNTERSTATEMENT OF QUESTION PRESENTED

Did the Court below correctly affirm a jury verdict, rendered in a United States District Court, based upon a California state remedy for unauthorized misappropriation of a widely-known singer's distinctive voice for commercial purposes.

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RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

INTRODUCTION

This past year, this Court declined to disturb the holding in *Midler v. Ford Motor Company*, 849 F.2d 831 (9th Cir. 1988), *cert. denied*, 112 S.Ct. 1513 (1992). In *Midler*, the Court of Appeals for the Ninth Circuit held "[W]hen a distinctive voice of a professional singer is widely-known and is deliberately imitated in order to sell a product, the sellers have appropriated what is not theirs

and have committed a tort in California." *Id.* at 463. The *Midler* case firmly established the legal foundation upon which singer Tom Waits brought suit against snack food manufacturer Frito-Lay, Inc. ("Frito-Lay") and its advertising agency Tracy-Locke, Inc. ("Tracy-Locke") when they created and broadcast a radio commercial launching a new brand of corn chips which featured a near-perfect "sound-alike" of Waits, urging listeners to try and to buy the new product.

In denying the Writ of Certiorari in the *Midler* case, *Young & Rubican, Inc. v. Midler,* 112 S.Ct. 1513 (March 23, 1992), this Court considered precisely the same challenges that are the subject of this Petition. Specifically, the ad agency in *Midler* (represented by the same counsel as Petitioners in this case) argued that (1) the California tort of "voice misappropriation" was preempted by the Federal copyright laws, and (2) the *Midler* decision was somehow in conflict with the Seventh Circuit decision in *Baltimore Orioles v. Major League Baseball Players,* 805 F.2d 663 (7th Cir. 1987), *cert. denied,* 480 U.S. 941 (1987). In rejecting those challenges, this Court let *Midler* stand. For the reasons set forth below, the unsuccessful challenges to *Midler* have even less application here. The Ninth Circuit's thoughtful and thorough decision in *Waits v. Frito-Lay, Inc.* should not be disturbed.

STATEMENT OF THE CASE

Petitioners' Statement of the Case contains many polemic legal conclusions instead of facts, and omits other facts that are essential to an understanding of this case. Accordingly, Respondent submits the following in an effort to present a more accurate and complete factual statement.

Respondent Tom Waits is a professional singer, songwriter and actor, best known as a performer for his distinctive and readily recognizable gravelly, raspy voice. He has released some 17 albums over his twenty year career. He has performed in "sold out" concerts throughout the United States, Europe, Japan and Australia. He has received awards and honors from various music journals. He has appeared (and sung) in feature motion pictures and has performed on television programs such as "Saturday Night Live", "Late Night With David Letterman", "The Merv Griffin Show" and others. He was nominated for an Academy Award for best score of a motion picture, and he has been the subject of articles in *Time*, *Newsweek*, and *The Wall Street Journal*, and many music trade magazines.

For years, however, Tom Waits has refused to perform for television or radio commercial advertisements and thus to lend his name to various products. He has refused endorsement offers from Honda motorcycles, Kraft mayonnaise, Burger King, Quaker cereals, Keds sneakers; he rebuffed inquiries or offers of $1 million and $300,000 respectively for beer and Japanese whiskey commercials. Moreover, he has spoken out in interviews against celebrity endorsements.

Petitioner Frito-Lay, Inc. is a subsidiary of PepsiCo, Inc., and Petitioner Tracy-Locke, Inc., its advertising agency, is a subsidiary of Omnicom Group, Inc. Corporate stock in both parent corporations is traded on the New York Stock Exchange. In 1988, Frito-Lay decided to release a new flavor of its Dorito brand tortilla chips called Salsa Rio and, in order to establish consumer awareness, determined to mount a radio commercial campaign. Carl LaFlamme of Tracy-Locke, the copywriter assigned to the product, first proposed a brassy, contemporary

"salsa music" approach featuring entertainer Jay Leno, who was already under contract as a spokesman for Frito-Lay. However, when this concept was presented to the Dorito/Frito-Lay group, it was rejected.

It was then Mr. LaFlamme's task to come up with something different and he remembered a jazzy Tom Waits song called "Step Right Up", that was circulating around the agency at the time because it was a humorous indictment of advertising and hucksterism. "Step Right Up" had been recorded by Waits in his characteristic raspy voice. LaFlamme wrote an entirely new commercial, set in a jazz nightclub, and used the rhyming word play (but entirely different words and melody) of "Step Right Up."

When this concept was presented to the Frito-Lay executives, LaFlamme not only played his own commercial but also played "Step Right Up" to demonstrate the feeling which the finished commercial would capture. The client liked what it heard.

The next step was to produce that finished commercial. A production company, Westwood Communications of Vancouver, was engaged and started production under the observation of LaFlamme and Eric Brenner, head of production for Tracy-Locke. Westwood chose a professional singer and voice-over specialist, Jim Byrnes, to sing the lead vocal. Byrnes is an experienced impersonator, but a Tom Waits impersonation is not in his repertoire. Byrnes naturally sings in a deep, blues-sounding voice.

Although LaFlamme and Brenner were pleased with Byrnes' rendition, to their astonishment, Messrs. Grossman, the Tracy-Locke account executive, and Roach, the Agency's creative director, were not. The Frito-Lay executives were also dissatisfied. At this point, LaFlamme,

the writer-composer of the commercial, was pushed aside, and Grossman and Roach took over. As new singers were auditioned in a Dallas studio, "Step Right Up" was played for them. An engineer volunteered that he knew of a singer who performed a Tom Waits imitation. That singer – Stephen Carter – was promptly contacted.

Carter performed in a bar band in the Dallas area and was a Waits fan. He had perfected the art of imitating Waits' voice. When Carter auditioned, Roach admitted he did a "double take" at Carter's ability to imitate Waits' voice so perfectly. When Carter left the audition, he was told by one producer that he would probably not get the job because he sounded too much like Tom Waits. Yet minutes after he returned home, he was offered (and accepted) the job.

The Tracy-Locke executives were familiar with Tom Waits' adamant stance against doing commercials. On the day the commercial was recorded, Carter, the impersonator, told Brenner that Waits would not be happy about this commercial. Brenner agreed, "Oh, yeah . . . We approached him one time to do a Diet Coke and you never heard anybody say no so fast in your life." Reporters Transcript ("RT"), Vol. 2, 42:10-24. LaFlamme, too, was told by Carter that Waits would not be happy with a commercial in which he appeared to be endorsing a product. *Id.* at 43:16-44:3.

Brenner, admittedly familiar with the *Midler* decision[1] which establishes the California tort of misappropriation of a widely-known performer's distinctive voice for commercial purposes, told Grossman, who was also familar with *Midler,* that the agency and client were headed

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[1] *Midler v. Ford Motor Company,* 849 F.2d 460 (9th Cir. 1988), *cert. denied,* 112 S.Ct. 1513 (1992).

for a problem with Waits. Grossman spoke briefly, by telephone, with an in-house lawyer in New York, who acknowledged the *Midler* decision; advised that "style", as opposed to "voice", of itself was not protectable; and warned of a "high profile risk" of a lawsuit.

Grossman took the tape of the Carter version to Jeff Myers at Frito-Lay for approval. He also reviewed with Myers an alternative version of the commercial featuring another singer which steered clear of a Waits imitation. Myers wanted the Carter rendition; Grossman not only recommended it, but promised that Tracy-Locke would indemnify Frito-Lay in the event of a lawsuit. This made Myers' choice an easy one, and in a matter of days the commercial was broadcast in 61 major market across the country.

There was substantial testimony at trial that radio listeners who heard the commercial thought it was indeed performed by Waits. One Waits fan was "horrified" and felt "betrayed". RT, Vol. 5, 147:22-149:1. A popular music critic for *The Los Angeles Times,* who was driving his auto when he first heard the commercial, testified: "I just almost went off the road . . . I was astounded . . . [M]y image of Mr. Waits was that he would be just about the last person maybe after Bruce Springsteen to ever do a commercial." *Id.* at 33:8-25.

It is important to note what is not made clear in Petitioner's Statement of the Case:

The offending commercial is not a version of "Step Right Up" or any other Tom Waits recording. All the elements of it originate with Tracy-Locke – melody, lyrics, script. The *only* basis for Waits' complaint involved here is the imitation of his voice. For example, had the original Doritos commercial featuring the deep blues-sound-

ing voice of Jim Byrnes been used, Waits would have no complaint, and even as to the offending Carter version, the law of copyright is not involved, either by direct prohibition or by preemption.

For Petitioners here to suggest that Waits "presented no evidence that Petitioners attempted to imitate the sound of Waits' voice apart from the recorded version of 'Step Right Up' ", Petitioners' Memorandum at 28, is disingenuous in the extreme. The jury heard the commercial (Exhibit 44) and "Step Right Up" (Exhibit 45). That alone is evidence that the songs are different, but that the vocal on the commercial is a pure imitation of Waits' distinctive voice.

REASONS FOR DENYING THE PETITION

I.

THE "MIDLER TORT," MISAPPROPRIATED USE OF A PROFESSIONAL SINGER'S DISTINCTIVE VOICE IN A COMMERCIAL ADVERTISEMENT, IS NOT PREEMPTED BY THE COPYRIGHT ACT OF 1976.

The Ninth Circuit's holdings in *Midler* and in *Waits* were carefully and narrowly drawn. The *Waits* Court held:

> "The trial's focus was on the elements of voice misappropriation, as formulated in *Midler*: whether the defendants had deliberately imitated Waits' voice rather than simply his style and whether Waits' voice was sufficiently distinctive and widely known to give him a protectable right in its use. These elements are different in kind from those in a copyright infringement case challenging the unauthorized use of a song or recording." *Waits v. Frito-Lay, Inc.*, No. 90-55981, Petition for Writ of Certiorari (hereinafter "Petition"), Appendix, p. A-14.

Moreover, the *Waits* trial court effectively added an additional element to the *Midler* tort – actual confusion. The jury was required to find that people familiar with Waits actually believed it was Waits performing on the commercial. *Id.* at A-16 & n.3.

More than four years have passed and this is only the second reported case involving the *Midler* tort in California; and as Petitioners themselves point out, other states have not yet even adopted, and some have rejected, voice misappropriation as an element of the rights of privacy/publicity, Petition, p. 10, fn.3. Accordingly, the legal issue raised by this case is one which arises under California state law only, has not been a frequently recurring one, and certainly does not cry out for further consideration by this Court.

Philosophically, the Ninth Circuit considered and faithfully followed the teachings of this Court in reaching its conclusion that Waits' California-law voice misappropriation claim was not preempted by Federal law. Although this Court, in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 109 S.Ct. 971 (1989), ultimately found a Florida statute to be preempted by Federal patent law, in reaching its decision it emphasized that the states may themselves take steps to prevent consumer confusion of source and to protect intellectual creation. (*Id.*, 489 U.S. at 165, 109 S.Ct. at 979-981, cited in Petition, Appendix pg. A-12-13; A-42-43). In the case at bar, "actual confusion" became an element of the voice misappropriation tort at trial. Thus, the tort of voice misappropriation fell squarely within the regulatory power of the states.

Moreover, this Court has specifically held that a state-protected right of publicity (a right closely akin to

voice misappropriation) is not preempted. In *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977), a professional entertainer had not given his consent to the televising of his performance on a news broadcast. His state law remedy was upheld by this Court as not conflicting with the Constitution or the federal copyright law. The rationale that supported the right of publicity remedy in *Zacchini* applies with equal force here:

> " 'The rationale for [protecting the right of publicity] is the straightforward one of preventing unjust enrichment by the theft of good will. No social purpose is served by having the defendant get free some aspect of the plaintiff that would have market value and for which he would normally pay.' " *Id.* at 576, 97 S.Ct. at 3857 (*quoting* Kalven, *Privacy in Tort Law – Were Warren & Brandeis Wrong?*, 31 Law & Contempt. Prob. 326, 331 (1966)).

The tort of voice misappropriation is similarly not preempted by federal copyright law. The Copyright Act, 17 U.S.C. 301, provides in pertinent part:

> [A]ll legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified in section 106 in works that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103 . . . are governed exclusively by this title."

Consistent with this provision, Courts have held that states may protect intangible assets such as a celebrity's distinctive identity, *see, e.g., Motschenbacher v. R.J. Reynolds Tobacco Co.*, 498 F.2d 821 (9th Cir. 1974); or name, *Carson v. Here's Johnny Portable Toilet's Inc.*, 698 F.2d 831, 837 (6th Cir. 1983). A distinctive human

voice, likewise an intangible asset, is also entitled to protection against unauthorized use in a commercial setting. *Accord, Lahr v. Adell Chemical Co.*, 300 F.2d 256 (1st Cir. 1962) (actor and comedian Bert Lahr stated cause of action for misappropriation and injury to reputation based on imitation of his unique style of vocal comic delivery in a television commercial).

Petitioners confuse what *was* complained of in this action with what was *not*. Waits did *not* claim infringement of any sound recordings or musical compositions. As Petitioners conceded in their brief submitted to the Court below: "Defendants' Salsa Rio commercial used original music which, of course, had never been performed by Waits." (Appellants' Opening Brief filed with the Ninth Circuit Court of Appeals, p. 27). Therefore, Petitioners' entire discussion of Section 114 of the Copyright Act, and its legislative history[2], misses the mark. This is simply not a case where the copyright owner of a second recording (that is, the sounds fixed in a particular recording) sues a defendant for attempting to copy that recording. As one leading commentator writes:

> "The first possible federal preemption issue was tangentially touched on in the *Sinatra* and *Booth*

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[2] The Ninth Circuit gave due consideration to the legislative history of the Copyright Act of 1976. The *Waits* court stated:

> "[T]he legislative history of Section 114 indicates the express intent of Congress that '[t]he evolving common law right of 'privacy,' 'publicity,' and trade secrets . . . remain unaffected [by the preemption provision] as long as the causes of action contain elements, such as an invasion of personal rights . . . that are different in kind from copyright infringement.' " *Waits v. Frito-Lay, Inc.*, Appendix at p. A-14 (citing H.R. Rep. No. 1476, 94th Cong., 2d Sess. 132, *reprinted in* 1976 U.S.C.C.A.N. 5659, 5748).

> cases.[3] There, the courts worried about the possibility that the commercial firm which obtains a copyright license to use copyrighted words and music in an advertisement might, in a overabundance of caution, feel compelled to also pay for a Right of Publicity license 'to each artist who has played or sung the composition and who might therefore claim' infringement. As noted above, *this possibility has no relevance to a case where an advertiser hires a mimic to imitate the vocal style of a specific performer. There, the advertiser knows exactly whose voice is being imitated and whose voice is intended to attract attention to the ad.*" J.T. McCarthy, *The Rights of Publicity and Privacy*, §4.14[E][2] (citations omitted) (emphasis added).

In the *Midler* case, plaintiff Bette Midler brought an action against Ford and its advertising agency for their deliberate use of a "sound-alike" in a television commercial which featured "Do You Want To Dance", a song Midler had made popular. The advertising agency acquired a license from the copyright owner of the underlying musical composition. On that basis, the advertising agency and its client (Young & Rubican and Ford Motor Company) argued to the Ninth Circuit, and to this Court, that an imitation of a specific sound recording – there, the original version of "Do You Want To Dance" – was not prohibited under the Copyright Act. 17 U.S.C. §114. Thus, they argued, the tort of voice misappropriation, in the context of those facts, was preempted. The Ninth Circuit and this Court's rejection of that argument applies *a fortiori* here. Frito-Lay and Tracy-Locke

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[3] *Sinatra v. Goodyear Tire & Rubber Co.*, 435 F.2d 711 (9th Cir. 1970); *Booth v. Colgate-Palmolive Co.*, 362 F.Supp. 343 (S.D.N.Y. 1973).

did not imitate an existing Waits sound recording. This is a "pure" case of voice misappropriation and falls well outside the ambit of the copyright law.

Moreover, in the instant case, Waits proved actual confusion as to who performed on that commercial. His tort claim thus arose under state law designed to protect against consumer confusion, which, as *Bonito Boats* recognizes, is not preempted by federal law. California's interest in protecting one of its citizens from unauthorized commercial use of his distinctive and widely-known voice is equally entitled to great respect.

II.

THE OPINION BELOW IS NOT IN CONFLICT WITH THE SEVENTH CIRCUIT'S OPINION IN THE *BALTIMORE ORIOLES* CASE.

Petitioners argue that there is a conflict between the Ninth Circuit's position in this case and the holding of the Seventh Circuit in *Baltimore Orioles v. Major League Baseball Players,* 805 F.2d 663 (7th Cir. 1986), *cert. denied,* 480 U.S. 941 (1987). In the first place, the two cases have no factual similarities whatsoever. This case involves a claim brought by a widely-known singer against the manufacturer of a snack food and its advertising agency concerning the unauthorized imitation of the singer's distinctive voice in a radio commercial. There was no question that Waits had not consented to the use of his voice; indeed, Waits had no contractual relationship with either defendant.

Baltimore Orioles, on the other hand, presented the issue of the Major League Baseball Players Association's ownership, if any, as against the Major League Baseball Clubs, of television broadcast rights of the players' per-

formances during Major League baseball games. The Clubs claimed that the telecasts were within the scope of the players' employment agreements, and that, as "works made for hire" the taped telecasts were owned exclusively by the Clubs.

Moreover, there is no conflict in the principles of law relied upon in the two cases. The *Baltimore Orioles* case dealt with "works of authorship *fixed in a tangible medium of expression* . . . and within the subject matter of copyright", 17 U.S.C. §301, that is, the recorded telecasts. In the *Waits* case, the Plaintiff's voice and personality were not fixed.

Specifically, in *Baltimore Orioles,* the Seventh Circuit reasoned that the players' right of publicity in their recorded performances was preempted because the performances were "fixed" within the meaning of Section 101 of the Copyright Act. The players had given their consent to the televising of the games in their contracts and thus the "work" was recorded by the Clubs under the "author's" authority. *Id.* at 670-673. The *Baltimore Oriole* Court was careful to limit its decision to the facts before it:

> "It is, of course, true that unrecorded performances per se are not fixed in tangible form. Thus, if a baseball game were not broadcast or were telecast without being recorded, the players' performances similarly would not be fixed in tangible form and their rights of publicity would not be subject to preemption." *Id.* at 674.

Here, the Court below emphasized that Waits' claim, like Bette Midler's, "is for infringement of voice, not for infringement of a copyrightable subject such as sound recording or musical composition." (*Waits v. Frito-Lay, Inc.*, Petition, Appendix p. A-14.) The Court, quoting

with approval from *Midler*, held that a "voice" is not copyrightable because "[t]he sounds are not fixed." *Id.*, Appendix p. A-13; *Midler, supra*, 849 F.2d at 462.

Indeed, even the *Baltimore Orioles* court recognizes that a right akin to that asserted by Waits is not "fixed" and is not subject to preemption. In discussing and following this Court's decision in *Zacchini*, the Seventh Circuit stated:

> "To be 'fixed' in a tangible form, a work must be recorded 'by or under the authority of the author,' here Zacchini. Because Zacchini did not consent to the telecast, the broadcast could not be 'fixed' for the purpose of copyrightability and Zacchini's right of publicity would not be subject to preemption." 805 F.2d at 675-76 & n.22 (citations omitted).

Similarly, in this case, Tom Waits did not consent to the use of his voice, or an imitation of his voice, in a snack food commercial. To the contrary, the evidence decisively showed that Petitioners knew Waits *would not consent* to any such use, and went forward with the commercial all the same. Petitioners' reliance on *Baltimore Orioles* thus fails because (1) the subject matter – a voice – is not "fixed", and (2) the "work" used was not under the authority of Respondent.[4]

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[4] *Brown v. Twentieth Century Fox Film Corp.*, 799 F.Supp. 166 (D.D.C. 1992), cited by Petitioners in a letter dated December 1, 1992, to the Clerk of this Court, is in no way inconsistent with the Ninth Circuit's opinion, below. In *Brown*, the District Court granted summary judgment to defendants on the ground that plaintiff, an entertainer, had previously granted to defendants' assignor all necessary rights in his filmed (*i.e.*, fixed) performance. Since defendants lawfully acquired the rights, there was no copyright infringement, violation of the right of publicity or other wrongful act upon which relief could be granted. Also, there was no allegation that plaintiff's name had been used to promote a product.

[footnote continued]

CONCLUSION

For the foregoing reasons, Respondent Tom Waits respectfully submits that the Petition for a Writ of Certiorari should be denied.

Respectfully submitted,

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December 17, 1992

The contrast with the instant case, in which Waits' voice, an intangible, was utilized without permission to endorse a product, is obvious.

CERTIFICATE OF SERVICE

I hereby certify that today, December 17, 1992, I caused to be mailed 3 copies of this Respondent's Brief In Opposition To Petition For Writ of Certiorari, first class postage prepaid, to:

Robert M. Callagy
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_____

Payson Wolff

Supreme Court, U.S.
FILED
DEC 29 1992
OFFICE OF THE CLERK

No. 92-863

IN THE

Supreme Court of the United States

OCTOBER TERM, 1992

FRITO-LAY, INC. and TRACY-LOCKE, INC.,

Petitioners,

—v.—

TOM WAITS,

Respondent.

REPLY BRIEF IN FURTHER SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

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SUPREME COURT OF THE UNITED STATES

October Term, 1992

FRITO-LAY, INC. and
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Petitioners,

v.

TOM WAITS,

Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

PETITIONER'S REPLY BRIEF IN FURTHER SUPPORT OF PETITION FOR CERTIORARI

Frito-Lay, Inc. and Tracy-Locke, Inc. respectfully submit this reply memorandum of law in further support of their petition that a writ of

certiorari issue to review the opinion of the United States Court of Appeals for the Ninth Circuit entered in this action on August 5, 1992, and amended October 6, 1992 and October 22, 1992.

REASONS FOR GRANTING THE WRIT

POINT I

THE TORT OF MISAPPROPRIATION OF VOICE IS PREEMPTED BY SECTION 301 OF THE COPYRIGHT ACT OF 1976

Section 301 of the Copyright Act provides that a state law is preempted if two conditions are met: (1) the right created by state law must be "equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106," and (2) the right created by state law must be in a work of authorship that is "fixed in a tangible medium of expression and come[s] within the subject matter of copyright as specified by sections 102

and 103" of the Copyright Act. 17 U.S.C. § 301(a).

First, respondent argues that the so-called "Midler tort" is not equivalent to any of the copyright holder's exclusive rights because evidence of actual consumer confusion is a requirement of the Midler tort. Respondent's Brief in Opposition, p. 8. In fact, however, although the district court did charge the jury on actual confusion, the Ninth Circuit noted that evidence of actual confusion was not required by its opinion in Midler v. Ford Motor Company, 849 F.2d 460, 463 (9th Cir. 1988), cert. denied, 112 S. Ct. 1513 (1992) ("Midler"), and expressly declined to rule on the propriety of the district court's instruction in this case. Tom Waits v. Frito-Lay, Inc. and Tracy-Locke, Inc., (9th Cir. 1992) (August 5, 1992,

amended October 6, 1992 and October 22, 1992) (Appendix to the Petition at A16, n. 3). Accordingly, the Midler tort, as set forth by the Ninth Circuit, does not require a showing of actual confusion. To the contrary, the tort is committed by the mere act of copying, and is therefore equivalent to one of the exclusive rights belonging to the copyright owner.

Second, respondent relies upon this Court's opinion in Zacchini v. Scripps-Howard Broadcasting Co., 433 U.S. 562 (1976), for the broad proposition that a state-protected right of publicity is not preempted by the Copyright Act. However, in Zacchini, the Court was not faced with a claim of preemption; indeed § 301 of the Copyright Act was not yet enacted. Instead, Zacchini held that a news broadcast of an unauthorized videotape of plaintiff's cannonball

"performance" was not privileged under the First and Fourteenth Amendments.[1]

Thus, because the "Midler tort" is equivalent to the exclusive rights of the copyright owner with respect to the subject matter of copyright, it is preempted under Section 301.

POINT II

THE NINTH CIRCUIT'S OPINION IS IN CONFLICT WITH THE OPINIONS OF OTHER CIRCUITS ON PREEMPTION

The Ninth Circuit's holding that Waits' voice is not the subject

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[1] Moreover, as set forth in Point II, infra, even if the Court was faced with a preemption issue in Zacchini, which it was not, Zacchini is distinguishable from this case because Zacchini did not consent to the taping of his performance. Because the taping was without consent, the performance was not "fixed" and therefore was not the "subject matter of copyright." In this case, plaintiff consented to the fixation of his voice in a sound recording, "Step Right Up." The voice on that sound recording is clearly the subject matter of copyright.

matter of copyright because it is not fixed conflicts with the Seventh Circuit's holding in Baltimore Orioles v. Major League Baseball Players, 805 F.2d 663 (7th Cir. 1986), cert. denied, 480 U.S. 941 (1987), and with the District of Columbia District Court's holding in Brown v. Twentieth Century Fox Film Corp., 799 F. Supp. 166 (D.D.C. 1992).

Respondent argues that Baltimore Orioles does not apply because plaintiff "did not consent to the use of his voice or an imitation of his voice, in a snack food commercial." Respondent's Brief in Opposition, p. 14. This argument completely misses the point. The point is that respondent consented to the fixation of his voice in a sound recording, which sound recording was copied by petitioners.

Respondent relies upon the

Seventh Circuit's analysis of the fact pattern in Zacchini. As respondent notes, the Seventh Circuit in Baltimore Orioles distinguished Zacchini, and concluded that Zacchini's claim would not have been preempted because the work was not recorded "by" Zacchini -- that is, Zacchini did not consent to the taping of his performance. Therefore, the performance was not fixed and was not the subject matter of copyright.

Like the plaintiffs in Baltimore Orioles, and unlike the plaintiff in Zacchini, respondent here consented to the fixation of his performance: he willingly made a sound recording of "Step Right Up." Having done so, the sounds contained therein are "fixed," and are the subject matter of copyright.

Respondent also argues that

Brown v. Twentieth Century Fox Film Corp., is not in conflict with the Ninth Circuit's opinion because in Brown, defendants had lawfully acquired the rights to plaintiff's fixed performance. However, that is precisely the point. In this case, under § 114(b) of the Copyright Act, petitioners lawfully had the right to duplicate the sounds contained in respondent's copyrighted sound recording, including his voice. As the court in Brown correctly recognized, because petitioners lawfully had the right to duplicate the sounds in respondent's sound recording, "violation of the right of publicity cannot be based on" such duplication. Id., 799 F. Supp. at 172.

Accordingly, because there is no valid distinction between the Ninth Circuit's conclusion that respondent's

voice is not "fixed," and the Seventh Circuit's and the District of Columbia District Court's conclusion that plaintiffs' performances were "fixed," this Court should grant certiorari to resolve the conflict between the Circuit courts.

CONCLUSION

The common law tort of misappropriation of voice created by the Ninth Circuit imposes liability for the mere imitation of a sound recording, conduct explicitly permitted by Section 114(b) of the Copyright Act, and is therefore clearly preempted by Section 301 of the Copyright Act.

The Ninth Circuit's creation of this tort and its holding on preemption is in conflict with the holding of the Seventh Circuit in Baltimore Orioles, Inc. v. Major League Baseball Players

Assoc., 805 F.2d 663 (7th Cir. 1986), cert. denied, 480 U.S. 941 (1987), and with the District of Columbia District Court's holding in Brown v. Twentieth Century Fox Film Corp., 799 F. Supp. 166 (D.D.C. 1992), thereby creating uncertainty and inconsistency in an area where a uniform national rule is needed.

Dated: New York, New York
December 28, 1992

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